FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,824 — Thursday January 9 1986 — D 8523 B

Ford's new Transit faces stiff test in Europe, Page 12

World news — Business summary

Jobless rate in US drops to 7.2%

US unemployment last year dropped to an annual average rate of 7.2 per cent, the lowest since President Ronald Reagan took office five years ago, the Labour Department said.

December's jobless rate was down to 6.9 per cent, the first time that the figure had fallen below 7.0 per cent since April 1980.

White House spokesman Larry Speakes said that "with this strong year-end finish, we can reasonably expect to exceed the Administration's forecast of a 6.7 per cent average unemployment rate for 1986." Page 4

Former PM on trial

Former Belgian Prime Minister Paul Vanden Boeynants went on trial in Brussels charged with tax fraud. Page 2

Heathrow patrol

Police from the UK's crack Blue Beret squad armed with machine guns will patrol passenger areas at Heathrow airport, London, from today.

Bangladesh election

President Hossain Mohammad Ershad of Bangladesh is expected to call a national election on April 24 to restore civilian democracy after four years of military rule.

Flick payout

West German industrial concern Flick paid DM 5m ($2m) to a Jewish organisation following renewed charges that Flick employed forced labour during the Second World War. Page 2

Executive killed

A senior sales executive for Fabrique Nationale Herstal, Belgium's largest arms maker, was found dead in his car with six bullets in his body.

School boycott stays

Half of South Africa's black children stayed away from school, ignoring a Government call to end a boycott that has lasted two years in some schools.

General imprisoned

Retired Indonesian General Hartono Dharsono was sentenced to 10 years in jail for subversion. Dharsono, a former secretary general of the Association of Southeast Asian Nations, was found guilty of inciting at least one Moslem radical to take part in anti-government bombings in Jakarta in 1984. Page 3

Exporter jailed

Yuri Geifman, the Russian-born head of a New York export company, was sentenced to six months in jail for exporting military equipment to North Korea and trying to ship a satellite system part to the Soviet Union.

Sikhs kill clerk

Sikh extremists killed a bank clerk in Punjab and authorities arrested 150 militant students and closed schools to head off violence.

UK 'bombs' defused

Bomb-disposal teams blew up suspect devices planted under the cars of four people involved in animal experiments in Britain. No one was injured. An animal-rights group claimed responsibility.

Economist's editor

The Economist, the UK weekly magazine, named Rupert Pennant-Rea, 37, its economics editor as its new editor. Men and Matters, Page 12

Cellist dies

Pierre Fournier, the French cellist renowned for his interpretations of Bach, Beethoven and Brahms, died in Geneva aged 80.

Wall St plunges 39.10 to 1526.61

WALL STREET: Dow Jones Industrial average plunged 39.10 to close at 1,526.61, the biggest one-day points fall since the stock market crash of 1929. Sudden doubts over prospects for a discount rate cut and reductions in the Federal budget deficit sent bond and equity prices into a tail spin. Page 34

LONDON: Equities turned lower as banks increased their lending rates. Gilts were also disturbed. The FT Ordinary share index closed 11.5 lower at 1,123.8 and the FT-SE 100 lost 11 to 1,404.2. Page 34

TOKYO: Prices staged a mild recovery after the previous session's decline. The Nikkei average ended up 65.18 at 13,056.42. Page 34

EUROPEAN bourses surged to new peaks on strong foreign buying. Frankfurt jumped to a record with the Commerzbank index 68.9 higher at 2,098.8, in extended trading, while expanded volume took Zurich, Amsterdam, Stockholm, Milan, Paris, Vienna and Madrid to new highs. Page 34

STERLING closed in New York at $1.438. It was firmer in London, gaining 35 points against the dollar to $1.4435. It also rose to DM 3.545 (DM 3.515), FFr 10.875 (FFr 10.7725), SFr 3.01 (SFr 2.9775) and Y291.5 (Y290.1). The pound's exchange rate index was 0.4 higher on the day at 77.9. Page 27

DOLLAR closed in New York at DM 2.4743; SFr 2.100. FFr 7.59 and Y202.65. It improved in London, closing at DM 2.458 (DM 2.4405), FFr 7.5325 (FFr 7.48), SFr 2.085 (SFr 2.087) and Y202.0 (Y201.45). On Bank of England figures the dollar's exchange rate index rose to 125.5 from 125.1. Page 27

GOLD rose $2.75 on the London bullion market to $332.50 and was $2.55 higher in Zurich at $332.75. In New York the Comex February settlement was $336.10. Page 26

FRANCE announced that foreign exchange allowance for French tourists travelling abroad would be raised from FFr 5,000 to FFr 12,000 ($1,585).

ITALY exported men's clothing worth $2.2bn last year, making it the world's leading menswear exporter. Page 4

BAYER, West German chemical and pharmaceutical group, is raising DM 1.1bn ($450m) in the country's biggest ever rights issue on the basis of one-for-fourteen. Page 18

EASTERN AIRLINES: The powerful machinists' union has launched a campaign aimed at bringing about change in the company's top management. Page 15

FERMENTA, Pharmacia and Leo are to form an international scale Swedish biotechnology and pharmaceuticals grouping in one of the country's biggest business deals, worth about SKr 4bn–5bn. Page 15

GAF, US chemicals and building products group, withdrew its $5.1bn cash bid for Union Carbide, the troubled chemicals giant. Page 14

GENERAL Dynamics, US defence contractor, postponed the planned merger with Cessna Aircraft because of last month's Pentagon ban on General Dynamics receiving new federal contracts. Page 15

FINANCIAL TIMES starting today, is devoting more space to coverage of the international capital markets and to international corporate news, in line with the growing importance to our readers of this sector of the world financial scene.

In addition to fuller daily reports of the Euromarkets and other bond markets, we shall be publishing regular news and analysis on such topics as financial futures and options markets, and international equities.

International Companies and Finance will appear today on Pages 15–18. Euromarket reports and the FT International Bond Service appear on Page 18.

Volcker wins Fed backing to curb 'junk bond' deals

BY STEWART FLEMING IN WASHINGTON

THE Federal Reserve Board yesterday defied the Reagan Administration and put into effect a controversial proposal to curb so-called "junk bond" financed takeovers.

The vote represents an important political victory for Mr Paul Volcker, the Fed chairman, but one which will leave his enemies in the Administration angrily licking their wounds.

The Fed's "interpretative ruling" means that when a takeover is financed through a so-called "shell" company (which has virtually no assets) by issuing debt securities, the purchasers of the securities are in effect lenders and their loan is in practice indirectly secured on the shares of the takeover target. The transaction thus becomes subject to the margin requirements which are designed to put limits on the extent to which borrowed money can be used to speculate in the stock market.

The effect of the proposal is to limit the amount of "junk," or below investment grade, bonds which can be issued in a takeover to 50 per cent of the purchase price. But as Mr Volcker himself pointed out, the issue is not the "junkiness" or otherwise of the bonds – in theory it could affect triple A rated securities – but whether the deal is financed in such a way as to infringe the margin rules which Congress *directed* the Fed to apply to prevent the sort of speculative bubbles based on borrowed money which contributed to the stock market crash in 1929.

But the central bank, in adopting the rule, made clear that although it would hit corporate raids such as the attempt by Mr T. Boone Pickens' Mesa Petroleum to acquire Unocal last year, it will not affect the bulk of the wave of mergers and takeovers which are sweeping through Wall Street.

Transactions such as Pantry Pride's successful bid for Revlon and the recent abortive GAF bid for Union Carbide – both hostile bids for much larger companies – are financed and structured in such a way that they would not fall foul of the new regulation.

The Fed has also modified its initial proposal to avoid hitting agreed mergers which accord with state takeover regulations, or where the purchase of the bonds is conditioned on the acquisition of sufficient stock in the target company to ensure that the merger is completed.

At the end of a public meeting, the five members of the Fed board voted three-to-two to put the revised rule into effect immediately, with Mr Volcker himself casting the tie-breaking vote.

The decision, which was a precise repeat of the vote the Fed board took on December 6 in proposing the initiative, represents a setback not only for the central bank's critics in the Reagan Administration, but also for Mr Preston Martin, the Fed vice chairman who had led the opposition within the cental bank.

Mr Martin was again supported by Governor Martha Seger, who is the only other member of the Fed board to have been appointed by President Reagan. But in the course of a two-hour debate, during which Fed staff officials and the governors conducted a low key discussion over the implications of the new interpretation of its margin regulations, neither Mr Martin nor Ms Seger was able to mount a sustained critique of the Fed's initiative.

Mr Volcker made clear that although he is personally unhappy about the wave of takeovers on Wall Street which are being financed with borrowed money, these are broad issues which Congress, not the Fed, must address, adding that the Fed's margin requirements are

Continued on Page 14

Europe rejects US call for sanctions on Libya

BY OUR FOREIGN STAFF

MEMBER states of the European Community, with cool politeness and varying degrees of outspokenness yesterday rejected the call by President Ronald Reagan to join the US in imposing sanctions on Libya because of its involvement in international terrorism.

West Europe's guarded negative response was matched by scepticism amongst Middle East experts in Washington and elsewhere that Mr Reagan's lonely trade embargo would have much, if any, influence over Colonel Muammer Gadaffi's regime.

In Washington, the White House promised to "hunt down" future Libyan-backed terrorists and repeated President Reagan's warning of "further steps" if economic sanctions failed. The US reserved the right to take further action "in our own self-defence," Mr Larry Speakes, White House spokesman, said.

Mr Speakes's focus on possible future incidents appeared to confirm the widespread assumption in Washington that Mr Reagan will not order military action against Libya in retaliation for last month's terrorist attacks on Rome and Vienna airports, at least for the time being.

Italy, Libya's biggest trading partner, would only consider sanctions for countries involved in terrorism in "strict association" with other members of the EEC, the Foreign Ministry in Rome said.

Mr Giulio Andreotti, the Foreign Minister, called for an immediate meeting with his colleagues to draw up a collective response to Mr Reagan's call.

West Germany expressed understanding for the US measures but Herr Friedhelm Ost, Bonn's chief spokesman, said it would not join the boycott. "It is our experience that economic sanctions do not lead to the desired results."

In London, Mrs Margaret Thatcher, the Prime Minister, remained sceptical about the effect of the imposition of sanctions against Libya and was determined that the UK would not follow suit.

Officials said Mrs Thatcher saw no reason to alter her long-standing view that sanctions do not work.

Sir Geoffrey Howe, the Foreign Secretary, assured Mr Charles Price, US Ambassador in London, that the UK would take no steps "which would undercut the measures." At a 45-minute meeting between them last night, called at Mr Price's request, it was also agreed that the UK and US should continue to work together to combat terrorism.

In Whitehall it was emphasised that the US had not asked Britain

Continued on Page 14

Background, Page 3; Editorial comment, Page 12

Westland's employees vote in favour of Sikorsky/Fiat deal

BY LIONEL BARBER IN LONDON

WHITE COLLAR workers at Westland's plant in Somerset, south-west England yesterday voted overwhelmingly in favour of the £74m ($106.5m) Sikorsky/Fiat rescue plan, overturning the support of their own national union officials at AUEW-Tass for the rival £75m European consortium offer.

Union officials led by Mr Ken Gill, general secretary, held a press conference in London hours before the vote condemning the proposed link-up with Sikorsky/Fiat and strongly backing the consortium.

Mr Gill said: "Obviously I am not very happy. But there is not the slightest doubt that the vote took place with a shadow overhanging jobs at the plant."

In other developments yesterday:

- Mr Bettino Craxi, the Italian Prime Minister, let it be known in Rome that he is in favour of the European consortium which includes the state-owned Agusta group in an "unofficial" declaration from his office, *Alan Friedman writes.*
- In the Hague, Deputy Defence Minister Jan van Houwelingen said he regretted the Westland board's advice to shareholders that they accept the Sikorsky/Fiat offer, and cast doubt over Westland's participation in the planned NH 90 helicopter, the pan-European collaborative venture.
- Dr Manfred Wörner, the West German Defence Minister, sent a letter to Mr Michael Heseltine, UK Defence Secretary, endorsing Mr Heseltine's arguments for closer European collaboration on defence procurement and supporting the consortium offer.
- The Westland board reaffirmed its support for the Sikorsky/Fiat offer while Sir John Cuckney, chairman, met institutional shareholders in an effort to muster the necessary 75 per cent vote in favour of the offer at next Tuesday's extraordinary general meeting.
- A row broke out between Westland's merchant bank advisers – Lazard Brothers – and Lloyds Merchant Bank, which is advising the consortium, over the threatment of shareholders' proxy votes.

About 1,000 workers, many of them engineers, attended yesterday's meeting in Somerset which was also called to discuss redundancy negotiations. The turnout represented over 60 per cent of AUEW-Tass members and was overwhelmingly in favour of Sikorsky/Fiat, said Mr David Giles, chairman of the plant's negotiating committee.

The consortium, which yesterday sent a formal proposal for its own rescue plan to shareholders, intends to lobby the Westland workforce with similar information today.

French applaud Heseltine, Page 2; News analysis, Page 6

Kodak in Supreme Court plea over instant photo ban

By Paul Taylor in New York

EASTMAN KODAK, the world's largest photographic products group, last night asked the US Supreme Court to intervene and block an injunction due to take effect today which would force it to quit the instant photography business.

Kodak's last-ditch, and highly unusual, move came after the Federal Appeals Court yesterday refused Kodak's request to temporarily block a permanent court injunction won by arch-rival Polaroid as a result of a celebrated 10-year patent infringement suit.

The injunction, due to go into effect this morning bans Kodak from making, using or selling instant photographic products. Kodak said such a move would cost hundreds of jobs, leave $20m of equipment idle and "severely and irreparably" damage the company's reputation.

Last night, as Kodak waited to discover whether Chief Justice Warren Burger would even hear its emergency plea, the company was poised to abandon the instant photography business for good.

The initial injunction was won by Polaroid last October when a Boston judge ruled that Kodak had illegally infringed seven Polaroid patents on instant photography. Kodak, based in Rochester, New York, will continue to appeal against the injunction. However, its chairman, Mr Colby Chandler, said in court papers that if the injunction was allowed to go into effect the group's instant picture business "will be finally terminated."

Kodak said yesterday that the company's 800 employees working full time on instant photography "are being asked to report to work at their normal times and places" for reassignment.

If the injunction against Kodak is finally upheld, the case will be returned to Boston where the courts could impose treble damages and costs to Polaroid which could total about $1bn.

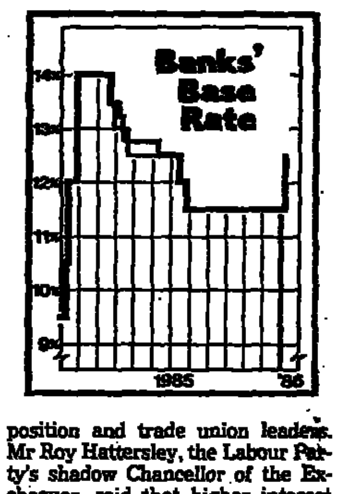
Polaroid's founder Mr Edwin Land, pioneered the instant picture era with the world's first instant camera in 1948. During the 1960s the company, based in Cambridge, Massachusetts, shared some of its instant colour secrets with Kodak in return for technical help on how to make negatives for its pull-apart instant prints.

But the cosy relationship between the two companies fell apart in April 1976 when Polaroid filed a patent infringement suit against Kodak six days after Kodak launched its first instant camera, breaking Polaroid's 30-year monopoly.

UK rates rise as fears grow on oil and £

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT, IN LONDON

UK BASE RATES rose by 1 percentage point to 12½ per cent yesterday as the Government moved to head off a possible sterling crisis and to restore the confidence of financial markets in its anti-inflation strategy.



The base rates increase was signalled by the Bank of England after renewed pressure in the London money markets in response to anxiety over oil prices and to the pound's weakness in recent days.

Its lead was quickly followed by the Midland Bank and, later in the day, by the other major clearing banks. The building societies, however, indicated that they saw no immediate need to raise their lending charges.

Sterling, which had already begun to recover in anticipation of higher interest rates, responded with modest gains against all major currencies, despite a fall in spot market oil prices. Share prices, in contrast, fell sharply.

The rise in interest rates was seen as a serious setback for Mr Nigel Lawson, Chancellor of the Exchequer, ahead of his weekend strategy meeting with other Treasury ministers to discuss the spring budget.

The City of London's view is that lower oil prices have already cut the scope for tax cuts to £2bn ($2.9bn) or less and that the Government will now remain under pressure to demonstrate that its first priority is lower inflation rather than lower taxes.

Base rates are now at their highest level since last July, when they were coming down after last January's sterling crisis. After adjustment for expected inflation, borrowing costs are at their highest this century.

Mr Lawson, who yesterday met trade unionists and industrialists at the National Economic Development Office, said he regretted that the rise had been necessary, but it was important that his anti-inflation strategy remained on course.

He said that the Government had responded to market pressures caused by weakening oil prices and by the strong growth of bank lending. A senior Treasury official added that if it had delayed it would have risked giving the wrong signal to financial markets.

The official view appears to have been that the Government's monetary policy had been sufficiently tight before the rise in rates but not so tight as to warrant resisting market pressures.

The higher borrowing costs, however, drew fierce criticism from Opposition and trade union leaders. Mr Roy Hattersley, the Labour Party's shadow Chancellor of the Exchequer, said that higher interest rates were the price that the country had to pay for the Government's "vacillating incompetence."

Mr Norman Willis, the Trades Union Congress general-secretary, said that it was bad news for inflation, bad news for jobs and bad news for what remained of the Government's claimed recovery.

The response from the Confederation of British Industry was more subdued. Sir James Cleminson, its president, said: "It is a great pity that this action is seen to be necessary. It is adding to the uncompetitiveness of British industry."

In financial markets the general perception was that as long as there was no further sharp fall in oil prices, base rates of 12½ per cent should halt sterling's decline and restore the confidence of investors.

Britain's short-term interest rates are now among the highest in the industrialised world and far above those in the US, Japan and West Germany.

On the London Stock Exchange share prices reacted with a third day of consecutive losses, with the stores sector particularly badly hit. The FT Ordinary index closed 11.5 points lower at 1123.8, bringing its losses this week to 25.8 points.

In contrast, sterling gained ground despite a general rise in the value of the dollar. The sterling index closed 0.4 points higher on the day at 77.9 while against the D-Mark the pound rose 3 pfennig to DM 3.5450. It also gained 0.35 cents against the dollar to close at $1.4435.

The major building societies reacted to the base rate move by stressing that they were under no immediate pressure to put up their rates.

News analysis, Page 6; Lex, Page 14; Money markets, Page 27

CONTENTS

Dassault faces setback over fighter decision

BY DAVID MARSH IN PARIS

DASSAULT-BREGUET, the French state controlled military aircraft manufacturer, may face an order shortfall in coming years as a result of a likely decision by the French Defence Ministry to delay choosing an advanced fighter aircraft for the 1990s until the end of the decade.

Senior ministry officials say that the air force will not need a new fighter until about 1997. This is significantly later than foreseen during long-running talks on building a fighter aircraft jointly with four other European countries. These ended abortively last summer, with the four other nations deciding to build an aircraft of their own.

Although no firm decision has been taken, the latest timetable advanced by the Defence Ministry implies that the programme to build a fighter does not need to be launched until 1990. This gives the ministry several more years before it needs to place production conduction contracts with Dassault.

Officials say that aircraft orders will not be needed before that because Mirage 2000 fighters now being delivered to the air force will cover needs for coming years. Additionally, experience of French and foreign air forces has shown that the operating life of fighters currently in service can period than originally expected. be "stretched" over a longer

The Defence Ministry also clearly want more time to make a decision before committing funds to a costly programme. France has been trying to enlist support for the new fighter from other countries, such as Belgium, the Netherlands, Norway and Denmark.

The latest indications from the ministry are bound to confirm suspicions, above all among the British and West German governments, that France was not completely serious during last summer's talks about its need for 330 new fighters for the air force and navy during the 1990s. France failed then to agree on a joint European Fighter Aircraft (EFA) to be built with Britain, West Germany, Italy and Spain.

Dassault-Breguet last month unveiled its 9.5 tonne Rafale fighter prototype on which it hopes the future French air force fighter will be based. The prototype will make its first flight next May. The Defence Ministry, however, underlined afterwards to Dassault that air force specifications for the 1990s call for a lighter 8.5 tonne aircraft. This requirement will confront Dassault with problems in redrawing the design for the Rafale in the next few years.

Executives at the company say reducing the weight can be accomplished through greater use of composite materials and other lightweight structures, as well as by lowering overall dimensions of the aircraft.

Mr Marcel Dasault, founder of the company, who still has a major stake (along with the state which owns 46 per cent), has this month declared that the company would produce a second prototype, the Rafale-B, with an 8.5 tonne weight in line with French air force requirements.

US talks due on cash to back Anglo-Irish accord

BY HUGH CARNEGY IN DUBLIN

A GROUP of senior British and Irish officials is due in Washington in the next two weeks, to see how much money the US is prepared to offer to back the Anglo-Irish accord on Northern Ireland. London and Dublin have already discussed setting up a fund to receive the international aid which is expected to flow in support of the accord signed last November.

The two governments are committed to co-operating on promoting economic and social development in areas affected by the troubles, including seeking international support. The US is regarded as by far the biggest likely contributor. As early as 1977, President Jimmy Carter indicated that funds would be available for job creation in Northern Ireland if Dublin and London reached some agreement on how to settle the province's problems.

Since November, President Ronald Reagan and Congress have reiterated Washington's willingness to put dollars behind the accord. Both Dublin and London are eager to capitalise on this as soon as possible and preliminary talks have been held with the State Department. Officials here say there are likely to be two joint visits to Washington by the end of this month to discuss concrete proposals.

Estimates vary on how much may be forthcoming. It is now reckoned in Dublin that \$300m to \$350m is a realistic figure, although there is some concern that budget wrangles in the Senate might reduce this. There is also concern that aid could be affected by any row between Europe and Washington over sanctions against Libya.

Apart from direct aid, there may be additional support in the form of US government incentives to American companies to invest in Northern Ireland. Dublin and London also expect aid to be available from other countries, notably Canada, Australia and other European Community nations.

The two sides are therefore discussing how to manage such aid and how to spend it. They are understood to have agreed a basic structure but are waiting to discuss it with Washington before proceeding. The fund will be administered by a joint board of management. The idea of a trust fund is not expected to be adopted as this is thought to present too many legal complications.

Mr Dick Spring, the Irish Deputy Prime Minister, has said a list of specific projects which could be backed by the fund has already been drawn up. These have not yet been listed publicly but will cover mainly infrastructural projects such as road building and housing especially in unemployment blackspots like Londonderry and Armagh.

There is also the possibility of the fund being used to provide equity capital to help lure enterprises into border and other otherwise uninviting locations.

Some money would be channelled south of the border to areas which have suffered economically because of the violence. However, the bulk of the money would go to the north, a fact that brings a wry smile from Irish officials who have done much of the lobbying spadework in the US.

A prime political aim of the fund is to win support in the Northern Ireland community for the Anglo-Irish deal. Officials say they have tended not to trumpet its potential because of the opposition of Unionists who have rejected the agreement and say the enticement of international aid is a crude bribe.

"My response to these bribes from well-intentioned foreigners is to warn them that their money will disappear into Irish bogs, the pockets of gombeen men and the bank accounts of corrupt politicians," was the typical response of Mr Harold McCusker, deputy leader of the Official Unionist Party.

The British and Irish Governments see it differently. "If we can improve people's daily lives and show them it stems from the agreement, then that will help," said one Irish diplomat.

Paris and Bonn plan big military exercises

By David Housego in Paris

THE French Government announced yesterday that French and West German forces would take part this year in the largest joint military exercise (involving 150,000 troops) the two countries have organised since becoming allies after the Second World War.

The announcement by M Paul Quiles, the French Minister of Defence, comes shortly before next week's Franco-German summit in Baden-Baden and is intended to demonstrate growing French willingness to enter a European conflict at an early stage in support of West Germany.

France is not a member of the North Atlantic Treaty Organisation's integrated military command, and official French doctrine remains that there would be no automatic commitment of French troops in the event of a European war.

But both the Socialist administration and the French opposition parties have been signalling an increasing readiness to take part in the forward battle.

One of the most recent tangible signs of this was the setting up of the 47,000-strong French Rapid Deployment Force, which Mr Quiles said yesterday would be among the 90,000 French troops taking part in the manoeuvres.

Mr Quiles' announcement followed a joint statement by Mr Roland Dumas, the French Foreign Minister, and Mr Dietrich Genscher, the West German Foreign Minister, in Paris on Tuesday that they intended to make 1986 "a major year for Franco-German relations."

The two ministers attempted to minimise the difference between France and Germany which still remain over a host of issues from participation in the US Strategic Defence Initiative (SDI) to the European fighter plane and the Hermes manned space shuttle.

Manoeuvres on such a scale involving large numbers of tanks and helicopters are both costly and require intense logistical planning. Mr Quiles said that this would be undertaken by the headquarters staff of the two armies this year.

Other recent signs of strengthened mutual security co-operation between France and West Germany have included the revival of the Elysee Treaty of 1963 which provided for regular military contacts between the two states.

In the summer Mr Charles Hernu, the former Defence Minister, also took a step further towards defining European concept of defence (as opposed to one based on French territorial interests alone) in stating that France and West Germany had "security interests in common."

The Government's announcement yestetrday is also intended in advance of the March parliamentary elections to preempt the more European defence stance being adopted by the opposition.

The centrist UDF party of former President Giscard d'Estaing has said that France should be ready to enter a European conflict at the outset and that "the frontier of our independence is on the Elbe" and not on the Rhine.

David Marsh reports on Aerospatiale's attitude to the Westland helicopter dispute

French applaud champion of British dignity

THE STATURE of Mr Michael Heseltine, the British Defence Secretary, has grown considerably in French eyes during the six-week-long battle for control of Westland, the UK helicopter manufacturer.

According to Mr Henri Martre, chairman of Aerospatiale, the state-owned aerospace group which is a member of the Heseltine-backed European consortium trying to keep Westland out of the clutches of Sikorsky of the US and Fiat of Italy, the UK Minister has emerged as a Gaullist-style champion of Britain's "national dignity."

Mr Paul Quiles, the French Defence Minister, goes out of his way to praise Mr Heseltine's efforts to promote a European solution to Westland's troubles.

The French Government and aerospace industry strongly believe that the interests of both France and Britain in the Westland saga boil down to one simply-stated objective: keeping Sikorsky out of Europe.

There is both incomprehension and suspicion about the motives behind the clear preference given to the Sikorsky offer by Sir John Cuckney, the Westland chairman, in spite of the efforts made by the European consortium to sweeten the financial and work guarantee terms in its offer.

Mr Martre shows polite irritation that Aerospatiale's overtures to Westland, which were first made discreetly as long ago as May, have been consistently ignored. When he and Mr Hanns Arnt Vogels, the Messerschmitt-Boelkow-Blohm chairman, visited London in late November for talks with the Defence Ministry, they asked to see Westland executives but were unable to secure an audience.

Putting to one side the often bitter competitive struggles fought on world markets with Westland during the past 10 or 15 years, Mr Martre says disarmingly that he is trying to keep Westland as a "friend and associate" in the European "family" of helicopter manufacturers.

Westland has participated with Aerospatiale in three collaborative helicopter projects since 1967, building the Lynx, Gazelle and Puma models. Aerospatiale officials say that Westland's productive capacity now has fallen so sharply that the company is no longer a serious competitor to Aerospatiale.

The history of co-operation has, however, created a web of technological exchanges between the two companies as well as a package of 350,000 man-hours of sub-contracting work (mainly for the Super Puma programme) farmed out to Westland by Aerospatiale for 1986-87. These links will be severed, Aerospatiale insists, if the Sikorsky/Fiat takeover goes ahead.

The French Government also stresses the value of maintaining and strengthening Europe's aerospace links. This is not just for symbolic or political reasons but also to try to keep down unit costs of new projects through Europe-wide collaborative programmes.

But Mr Quiles also concedes the overriding reason why France backs the Heseltine solution. Giving Sikorsky a foothold in Europe through a shareholding in Westland could, he says, open the way to "savage competition on a restrained market" — pitting above all Sikorsky's Black Hawk against the Aerospatiale range.

Aerospatiale, with a FFr 25bn (£2.3bn) turnover and activities ranging from ballistic missile production to the European Airbus and the Ariane space rocket, is only slowly emerging from a long period of downturn in the world helicopter market.

Holding an estimated 23 per cent of the world market for military helicopters (excluding the US and the Soviet Union which the company regards as equally closed markets) and 20 per cent of the civil sector, the company's helicopter orders last year amounted to FFr 6bn. This was 50 per cent above the depressed year of 1983 but still not enough for comfort.

Aerospatiale is still trying to digest difficulties in key areas such as the offshore oil drilling sector, where the slump in oil prices and exploration efforts has bitten deeply into helicopter sales in the last few years.

Again this background, Aerospatiale believes the entry of Sikorsky into Westland would jeopardise Britain's own independent position in aerospace.

It could also spell serious medium-term complications for Aerospatiale in a market which will remain fiercely competitive for years to come.

France, with some justification, rails against the idea that its policies over Westland are motivated by protectionism and anti-American sentiment.

Aerospatiale, with about 70 per cent of orders coming from exports, double the percentage of 10 years ago, has been forced to enter into international collaboration in aircraft, helicopters, missiles and satellites to stay in the top division of world aerospace.

An Aerospatiale stake of 7.5 per cent in Westland, envisaged under the European plan (the same percentage as GEC and British Aerospace, acting as a combined shareholder, MBB and Agusta of Italy) would be less than the 11 per cent stake Aerospatiale holds in MBB.

> France opposes the US bid for the British helicopter maker because the US military helicopter market is resolutely closed to European suppliers, according to Mr Paul Quilès, the French Defence Minister (right). Allowing a Sikorsky-backed Westland to enter a European project which would compete with another Sikorsky product would be unimaginable, the French believe.

Mr Martre stresses that Aerospatiale has experience in co-operating with the US when programmes are organised on an equitable basis, citing the case of a US/European military transport aircraft project in which it is associated with Lockheed.

On a wider level, French Defence Ministry officials say that they plan technical talks soon with US Defence Department staff to flesh out possible areas of co-operation in future jet fighter aircraft. This is in the wake of a proposition for collaboration addressed to Mr Quiles by Mr Caspar Weinberger, the US Defence Secretary, last month.

A further example of French links with the US is that United Technologies, Sikorsky's parent, owns a 5 per cent stake in Snecma, the French nationalised aero-engine group. This is a residue from a short-lived co-operation programme between the two companies in the 1960s.

France is in firm opposition to the US over Westland because the US military helicopter market is resolutely closed to European suppliers, Defence Ministry officials argue.

This adds power to the card up the European consortium's sleeve, firmly deployed by Mr Heseltine and also brought out by Mr Quiles on Tuesday. If Westland joins the Sikorsky camp, confirmed Mr Quiles, it is likely to be squeezed out of future European collaborative projects, including the five nation NH-90 military transport helicopter programme currently under study.

Echoing a view probably held by his Italian and German counterparts, Mr Martre says that allowing a Sikorsky-backed Westland into a project which itself is likely to be competing against a separate Sikorsky product on world markets would be "unimaginable."

Tied to the stick of retaliation if the Sikorsky deal goes through, France is holding out the carrot of participation by Westland in a joint European anti-tank helicopter project as a reward if the company accepts the alternative proposals.

Mr Martre admits however, that the Franco-German anti-tank helicopter scheme agreed in 1984—which France made vain efforts at the time to persuade Britain to join—is facing difficulties caused by the complexity of specifications from the two armies.

Opening up the project to British and Italian participation, possibly for a lighter model than the five-tonne design envisaged up to now, has been agreed in principle by the armaments directors of the four Defence Ministries concerned, as an integral part of the European consortium's proposals.

This would certainly pose more complicated questions of work sharing and organisation. "With political will, it can be done," says one Aerospatiale executive, apparently confident that, in France if not in the UK, all resources of political will over the Westland saga are pushing in the same direction.

Flick's new owners give DM 5m to Jewish group

BY JONATHAN CARR IN FRANKFURT

THE WEST GERMAN industrial concern formerly known as the Flick group has paid DM 5m (£1.4m) to a Jewish organisation following renewed charges that Flick employed forced labour during the Second World War.

The concern, now called Feldmuehle Nobel, said yesterday that it had paid the sum on "humanitarian" grounds to the New York-based "Conference on Jewish material claims against Germany." But at the same time Feldmuehle Nobel rejected accusations that former leading members of the Flick group had taken part in the "slave labour programme" of the Third Reich.

The company said that Dr Friedrich Flick, the group's founder, and other key company officials had been found not guilty of this charge by the Nuremberg war crimes tribunal in 1947.

The decision to pay the DM 5m follows acquisition of the group by Deutsche Bank, the country's biggest bank, from Mr Friedrich Karl Flick, son of the founder, for around DM 5bn.

As the group passed into Deutsche's ownership at the turn of the year there were growing demands—not least from Germany's Jewish community—that the moment be used to clear up at last claims on Flick arising from the war.

A political storm burst earlier this week when a junion member of one of the governing parties in Bonn said the impression was being given that "Jews quickly speak out when money jingles somewhere in German tills."

The comment was sharply criticised by government and opposition spokesmen — and, above all, by Mr Heinz Galinski, head of West Berlin's Jews. Mr Galinski has accused Flick of employing more than 40,000 forced labourers under inhuman conditions during the Third Reich, and has demanded compensation.

In a first comment yesterday on the DM 5bn now paid, Mr Galinski said he derived no satisfaction from the fact that "after 40 years, a pittance" had emerged from Flick.

W. German jobless rise

West German unemployment, the prime issue in the run-up to next year's general elections, rose strongly last month to match a record December high set two years ago, official figures showed yesterday. Reuter reports from Nuremburg.

The Federal Labour Office said 2.35m people, or 9.4 per cent of the labour force, were out of work at the end of last year.

In November, 2.21m people, or 8.9 per cent of people capable of working, were looking for a job.

Mr Heinrich Franke, Labour Office President, announcing the figures, blamed the increase on theloss of outdoor jobs due to cold winter weather.

Finnish President enters row over Soviet trade

BY OLLI VIRTANEN IN HELSINKI

THE FINNISH President, Mr Mauno Koivisto, has lent his public support to the country's Trade Minister, Mr Jermu Laine, who is under attack for his supposedly poor relations with Moscow. The criticism has come mainly from the Stalinist wing of the Finnish Communist Party.

Earlier this week, Mr Laine was the target of a barrage of accusations that he has neglected trade with the Soviet Union.

Some Communist MPs have accused Mr Laine, a social democrat, of concentrating his efforts on trade with the West. He is chairman of the European Free Trade Association and played a key role in negotiating Finland's entry to the French-inspired Eureka high technology programme.

Mr Laine has also been criticised for "unorthodox" comments about trade between Finland and the Soviet Union. A "high ranking Soviet official" is claimed to have expressed displeasure at his activities.

Dublin warns on funds for shipping line

THE Irish Government has warned it will not provide funds for restructuring the strike-hit state shipping line B+I unless the company reaches agreement with unions on its cost-cutting plan, writes Hugh Carnegy in Dublin.

B+I, with losses last year of some I£6m (£5m) has been at a standstill since Tuesday and its future appears to be seriously in doubt.

The stoppage is over the latest in a series of disputes linked to B+I's plan to shed more than a quarter of its 2,000 workforce, drop its ferry service from Rosslare to Pembroke and contract out catering and duty-free activities.

Last night the company said off more than 800 staff in Britain and Ireland and said 200 more would go next week. This is in addition to 750 members of the Seamen's Union of Ireland (SUI) who are on strike.

A Government spokesman said an I£43m injection of government money required under the restructuring plan would not be forthcoming unless the SUI and other unions who have opposed the plan reach agreement with the company.

At the heart of the issue is the role of the SUI which under long-standing practices has decisive influence over the hiring and firing of seaboard staff, a hold on management the Government wants to see broken.

B+I has set next Tuesday as its deadline for agreement.

Sweden struggles to keep down pay rises

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

THE SWEDISH Government is trying to persuade unions and employers to accept a three-year wage contract in an attempt to bring labour costs under control. Mr Olof Palme, the Prime Minister, and Mr Kjell-Olof Feldt, the Finance Minister, have called both private and public sector labour leaders to talks on Monday.

The Government presents its 1986-87 budget tomorrow and its forecasts depend crucially on a moderate national wage settlement. Such settlements have been made persistently at levels well above those in Sweden's main trading partners.

Inability to control labour costs means inflation has risen much faster than in key competing countries, undermining Sweden's international competitiveness and causing repeated currency devaluations.

Growth in the Swedish economy is already slowing again. The National Institute for Economic Research forecast last month that the economy would expand by only 1.1 per cent in 1986, one of the lowest growth rates in the whole of the OECD.

Nominal wages rose by 80 per cent during the period 1976-83, but real wages declined by 9 per cent as the result of high inflation. The Government is seeking to persuade both sides of industry that the only way to protect Sweden's competitiveness is to accept low nominal wage rises as a way of securing some increase in real wages.

The major obstacle the Government must overcome is the fact that public sector wages are already due to rise by around 6.5 per cent this year as the result of earlier agreements even before the wage round begins.

The Government is refusing to set a wage ceiling or suggest a formal wage freeze for 1986, having failed badly last year with the tactic of imposing a voluntary 5 per cent wage norm. Instead, it is promoting a moderate three-year agreement, and is backing this move with a threat of harsh economic actions to cut purchasing power if the unions and employers refuse to fall into line.

Tough round of wage talks opens in Spain

BY DAVID WHITE IN MADRID

A SERIES of wage rounds began in Spain yesterday with the opening of negotiations for 150,000 bank workers, amid growing government concern about inflationary pressures in the country's first year of EEC membership. The bank negotiations, which are expected to be particularly tough, will set the tone for wage claims in other sectors.

The Socialist UGT trade union is keeping to the terms of the 1984 economic and social agreement which it signed with the Government and employers, but has set its claim at the upper limit of the agreed band, or 8.56 per cent. The rival Communist Workers' Commissions federation, which stayed out of the pact, is pressing for 11 per cent and longer holidays.

The agreement provided for increases this year of between 90 and 107 per cent of the expected inflation rate. Since this is put by the Government at 8 per cent, the range starts at 7.2 per cent. However, the UGT has said that only in exceptional cases will it go below the 8 per cent mark, and that it wants to establish inflation-threshold revision clauses as a general rule.

Last year, revision clauses were included in agreements for about 70 per cent of the 5m Spanish workers covered by collective wage accords. They provide for retrospective compensation if inflation exceeds forecasts.

The union justified its insistence on revision clauses by the "special circumstances" affecting price inflation this year—especially the introduction of value added tax, which has so far brought widespread confusion and frequent abuses.

The UGT is also seeking commitments on job creation, improvements in safety, hygiene and working conditions, and a negotiating framework for the introduction of new technology.

East German growth up 4.8%

BY LESLIE COLITT IN BERLIN

THE RESILIENT East German economy expanded by 4.8 per cent last year, Comecon's highest growth rate in the five-year plan which just ended with the possible exception of Romania. National Income (GNP minus services) exceeded the target by 0.4 per cent, while industrial production rose 4.5 per cent, or 0.7 per cent more than the planned target.

Statistics released yesterday in the main Communist newspaper, Neues Deutschland, showed net industrial production—a new performance indicator—rose by 9 per cent against the target of 8 per cent. The main contributing factor to growth was labour productivity which went up by 8.4 per cent.

The increase in net income for the population, however, was 3.7 per cent, compared with a target of 4 per cent. This was the only important planned target which was not wholly met.

East Germany had its best ever grain harvest of 11.5m tonnes. Meat output rose by 5.2 per cent against a target of only 0.6 per cent growth.

By comparison with troubled coal and energy production in several other Comecon countries, East Germany's rose by 8.3 per cent last year. The key electrical engineering and electronics sector expanded by 15.6 per cent. The newspaper said 13,800 new industrial robots were installed. However, these were, in most cases, industrial manipulators by Western definition.

The leading high technology company in East Germany, Carl Zeiss Jena, said 31 per cent of its products last year were newly developed which compared with 25 per cent for all of East German industry. The company, which had a turnover of almost 3.5bn Marks (£1bn), boosted exports to the West by 39 per cent and to other Comecon countries by 34 per cent.

Fraud charge denied

FORMER Belgian Prime Minister Paul Vanden Boeynants, a skilful political strategist nicknamed "the old crocodile," went on trial yesterday charged with tax fraud and pleaded not guilty, Reuter reports from Brussels. He headed governments in 1966-68 and again in 1977-79. He was a long-serving defence minister.

Poles want IMF entry this year

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH Finance Minister, Mr Stanislaw Nieckarz, is confident that Poland will join the International Monetary Fund this year and that relations with Western banks and governments, to whom it owes \$29bn, will improve.

Poland failed to make a \$550m payment to Western governments on December 31 and thus placed a question mark over the future of present rescheduling agreements.

Nevertheless, Mr Nieckarz apparently believes that Western governments will return to a policy of supporting a share of their exports to Poland with credit guarantees, while IMF membership which Warsaw applied for in 1981, will go ahead.

The Government, meanwhile has been warned by Mr Mieczyslaw Mieszczankowski, a former senior finance official, that its plans for reducing the annual rate of price inflation to 7 per cent by 1990 is unrealistic. He suggests in the economic weekly, Zycie Gospodarcze, that inflation will stay in double figures and urges, among other steps, the renegotiation of debt agreements with the West and the Soviet Union to reduce the repayment burden and its inflationary effect.

Poland has been devoting about 25 per cent of its hard currency export earnings to debt servicing. But rouble debt repayments to the Soviet Union start in 1989.

Inflation and the housing shortage are the main causes of working class discontent and present a serious potential threat to the Government. A marked increase in subsidies in the past two years aimed at keeping inflation down to the publicly admitted figure of 13 per cent in 1985 marks official recognition of this fact.

FINANCIAL TIMES

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter-Societäts-Druckerei-GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main, Guiollettstrasse 54, 6000 Frankfurt am Main 1.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates \$365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022.

Right-wing derides Reagan for taking 'soft' line on Libya

BY REGINALD DALE, US EDITOR IN WASHINGTON

BY REJECTING the use of military force against Libya, at least for the time being, and plumping for what are likely to be ineffective economic sanctions, Mr Reagan has chosen a course that is being derided by his right-wing critics as the "soft" option. Few Middle East experts in Washington believe that Mr Reagan's probably lonely economic boycott will have much succes in ending Libyan terrorism.

Some of them even believe that he has made matters worse. By first appearing to threaten military reprisals, and then backing down, he may have strengthened the hand of Col Muammer Gadaffi, the Libyan leader, by suggesting that the mightly US does not dare to attack Libya.

With the American public angry and frustrated by terrorist attacks, and increasingly fearful of setting foot on international flights to Europe and the Middle East, the temptation to use military force was strong. Mr Reagan got as far as studying a Pentagon list of potential bombing targets in Libya, and ships and aircraft were openly readied for action.

At his Tuesday night news conference, Mr Reagan said that "by providing material support to terrorist groups which attack US citizens, Libya has engaged in armed aggression against the US under established principles of international law, just as if it had used its own armed forces."

And yet his response has been remarkably similar to his approach towards the other nation at the top of his list of "outlaw states" Nicaragua. In both cases he has turned to economic sanctions and raised false fears of a US invasion or other military action by sailing his big ships close to the coastline.

By publicly raising the question of military reprisals, the White House last week reopened the long-running debate in Washington between those like Mr Caspar Weinberger, the Defence Secretary, who are extremely reluctant to commit US forces to risky military ventures, and those, like Mr George Shultz, the State Secretary, who believe that force should be used even if innocent civilians may be hurt in the process.

A raid against Libya would not, however, appear to have met Mr Reagan's own criterion—that military reprisals must strike only those directly responsible for terrorist acts.

Mr Reagan's hand, however, was also stayed by other considerations — the possible fate of the 1,000 to 1,500 Americans still in Libya, whom he referred to as "potential hostages" on Tuesday night, the fear of a powerful anti-American backlash throughout the Arab world, and the risk that US aircraft might be shot down.

For the moment, as one Administration official put it privtely yesterday, Mr Reagan may be huffing and puffing, but he is not blowing any houses down.

Richard Johns explains the likely effect of President Reagan's measures on Libya and American companies

US sanctions alone unlikely to dislodge Gadaffi regime

"WE'VE PULLED most of the levers but he's still there," commented a die-hard American opponent on Colonel Muammer Gaddafi's continued grip on his country and the effectiveness of American sanctions. That remark was made over a year ago and quoted in a Newsweek cover story which asked somewhat plaintively: "Can anything be done?"

US attempts to put the squeeze on the regime date back to 1975, when an export licence for Hercules transport aircraft was refused. They have had little affect on Libya's development or on the functioning of its vital oil industry.

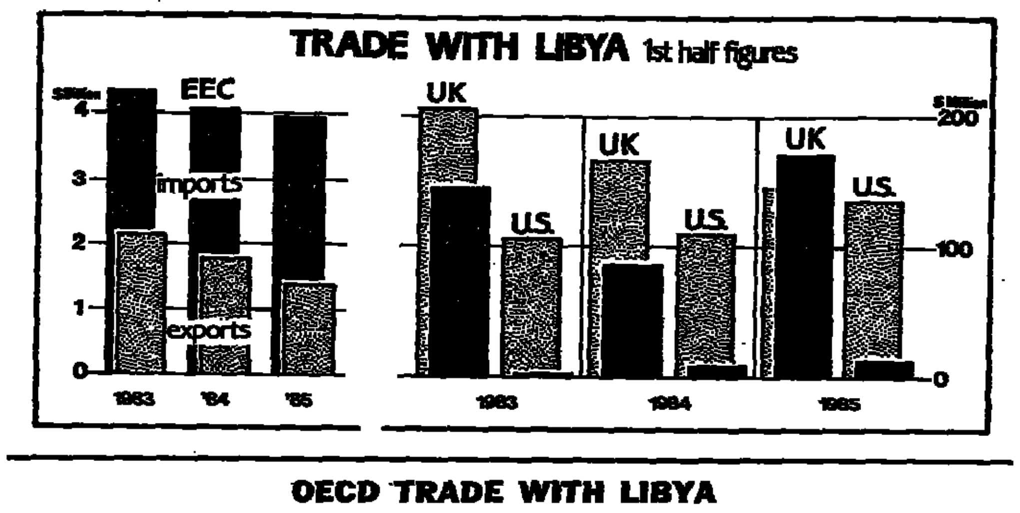
Without the fullsome co-operation of the European Economic Community, a blanket embargo by the US is unlikely to be a major setback for Libya, although it could discomfort and embarrass the regime.

Four years ago the Reagan Administration banned oil imports from Libya and the export of most items of high technology, including oil and gas equipment not readily available outside the US, as well as all military items.

American companies and citizens were encouraged to pull out—Exxon did so in 1981 and Mobil, for commercial rather than political reasons, followed suit a year later.

The only other screw to have been applied recently was the executive order issued in November banning the import of Libyan refined products, which surged last year as the Ras Lanuf refinery came on stream. Officials acknowledged that this extension of the embargo could be difficult to enforce.

While the US, which took 27 per cent of Libya's oil exports in 1981, has not been inconvenienced in a slack market by the embargo, the maverick state has equally been able to dispose recently of more than its quota of light, sulphur-free crude under the Organisation of Petroleum Exporting Countries' much-dishonoured production-sharing pact.



OECD TRADE WITH LIBYA

US$m

	1984 Total		1984 (1st half)		1985 (1st half)	
	Exports	Imports	Exports	Imports	Exports	Imports
Italy	1,662.0	2,762.4	815.1	1,479.6	666.6	1,749.6
West Germany	804.0	2,196.0	400.8	1,374.0	294.3	1,100.1
Spain	266.3	1,059.1	142.1	604.0	83.6	463.1
France	210.0	816.0	123.3	555.3	126.6	286.5
Japan	418.8	—	117.0	—	167.1	7.2

The proportion of production going to Western Europe, according to official Libyan statistics, rose 55 per cent in 1981 to 90 per cent in 1984, or 830m barrels a day (b/d).

Italy was taking 250,000 b/d, West Germany 200,000 b/d and Spain 86,000 b/d. These three countries have every incentive to continue liftings at a high level, so as to encourage settlement of debts owed by Libya to their contractors.

Despite the Government's urging, the US oil industry has maintained a significant foothold in Libya, with stakes in operations accounting for 45 per cent of total output. In the first half of 1985 this was estimated at 1.04m b/d with equity entitlements at more than 250,000 b/d.

In particular, Occidental Petroleum's joint venture and production-sharing agreements together had an output of 169,000 b/d. Continental with 16.3 per cent, Marathon (16.3 per cent) and Amerada Mess (8.2 per cent) are partners with the Libyan National Oil Corporation in the Oasis group, which is estimated to have been producing at nearly 300,000 b/d. W. R. Grace retains a 12 per cent stake in Exxon's old field.

Occidental has the highest profile in Libya as the effective operator of both its ventures there, but says that it has no American employees in the country. Continental's UK affiliate acknowledged that its stake in Oasis was an investment by the parent company, but said it was premature to say how the order would affect it.

Both companies have looked after their interests and provided services in the past from their London offices, so that they may be able to claim extra-territorial status. Marathon, however, says its stake is managed from Findlay, Ohio.

Occidental has been prepared to dispose of its Libyan interests mainly to raise money to defray its debts but also perhaps to rid itself of a potential hostage to fortune. In July, OMV of Austria bought 25 per cent of Occidental's joint venture interest but the other companies interested, Neste Oy and Svenska, did not go ahead.

If LNOC's US partners were forced to pull out, the disruption to operations could be short-lived. It would not be difficult to find replacement personnel—British or Italian—as LNOC has already discovered following the departure of Exxon and Mobil. The implications for marketing arrangements would, on the face of it, be unaffected if they have been dealt with by UK affiliates in the past.

The state of Price Brothers of Dayton, Ohio, who are establishing the factories to produce the thousands of miles of 4-metre diameter pipe required, could also be difficult to define.

The most important possible effect of the new sanctions could be directed at Brown and Root, project manager of the "Great Man-made River Project," hailed by Col Gadaffi as the eighth wonder of the world. The first phase of this project, worth $3.3bn, was awarded to the Korean company Dong Ah in 1984.

Although the project arguably could have been banned to US companies under the high technology clause, it was apparently allowed because of its humanitarian purpose. The status of Brown and Root's involvement could depend on whether it is adjudged to be directed from its US office in Houston, Texas or from that of its London affiliate. Queries were yesterday being referred to Houston, from where the project is practically, if not juridically, run.

With its oil revenue down to an annual rate below $10bn compared with $22bn in 1981 and its debts mounting to about as much, Libya might be happy to delay the project.

Impact 'marginal' for US companies

BY WILLIAM HALL IN NEW YORK

AMERICAN companies have been scaling back their involvement in Libya for several years and the immediate reaction to the announcement of the US Administration's near-total ban on economic and commercial contacts with the Arab country was that it would have only a marginal impact on most of the companies involved.

While Libya looms large in America's political strategy in the Middle East, its economic importance to the US is minimal. Annual trade between the two countries is running at about $300m a year; the number of Americans operating in the country is probably less than 1,500; and American's total direct investment at the end of 1984 was valued at less than $500m. This compares with total US overseas investment of $223bn.

The official response from the US corporate sector yesterday was that the companies involved would comply with the President's directive and stop doing business in the country. But beyond that, companies were reluctant to speculate on the direct impact on their affairs of the economic embargo until they had a chance to study the official order.

The vast bulk of the US investment in Libya – probably more than 90 per cent – is related to the oil industry. Occidental Petroleum, the West Coast oil company headed by Dr Armand Hammer, 87, is the most visible US oil company in the country.

Occidental, which does not employ any American citizens in Libya, said yesterday that it was an American company and "as always will comply with all applicable US laws regarding Libya." As with other US oil companies, it plays down the significance of its Libyan connections and notes that they only contributed 1 per cent of its $12bn-a-year revenues.

Mr Fred Leuffer, an oil analyst with the New York company of Cyrus J. Lawrence, described the impact of America's Libyan sanctions as "pretty insignificant" on the companies involved. In the case of Occidental Petroleum, the most heavily involved of the companies, he estimated that the curbs might reduce its earnings by about 15 cents a share. He is forecasting that Occidental would earn $3.40 a share a year.

According to a White House fact sheet, the President's moves will mean that "US companies will no longer pump Libyan oil or purchase it for sale anywhere in the world." However, Wall Street analysts said that there was room for interpretation in the executive order and believed that companies might find ways of mitigating its impact.

The order, for example, does not appear to apply to the overseas operations of US companies which are already doing business with Libya.

WORLD REACTION TO US POLICY

EEC doubts value of trade curbs

DOUBTS whether economic sanctions were the only right response to the terrorist question were raised yesterday by the President of the EEC's Council of Ministers, Paul Cheeseright writes from Brussels.

Sanctions give rise to unwarranted side-effects, Mr Hans van den Broek, who is also the Dutch Foreign Minister, warned a meeting of European Parliamentarians and members of the US Congress taking place in Dublin.

He was responding to Mr Tom Lantos, a California Democrat who was leading the bipartisan congressional delegation. Mr Lantos had told the meeting that unless the Community joined with the US in an economic sanctions programme against Libya, it should not expect US good will in resolving current US-EEC trade friction.

The EEC Council of Ministers would consider the Libyan and terrorist questions, Mr van den Broek said, but he rejected the attempt to link the issue with completely unrelated subjects.

The Community has traditionally viewed with scepticism the US predeliction for the use of economic sanctions as a weapon of foreign policy. During the last major dispute on the issue, during 1982 over European equipment supplies to a Soviet gas pipeline, a number of Community countries, like the UK, took action to prevent the US enforcing sanctions.

Mrs Margaret Thatcher, the British Prime Minister, remains sceptical about the effect of the imposition of US sanctions against Libya, and is determined that Britain will not follow suit, Downing Street said yesterday, Kevin Brown reports.

Officials said Mrs Thatcher saw no reason to alter her longstanding view that sanctions do not work.

Richard Johns adds: Mr Charles Price, US Ambassador to London, called yesterday evening on Sir Geoffrey Howe, the Foreign Secretary, to explain the US call for a wider embargo.

Currently there are about 6,000 British citizens in Libya.

In the first 10 months of 1985 UK exports to Libya were worth £196.8m and running at a slightly lower rate than in 1984 when they totalled £240.5m.

British imports from Libya, crude oil and refined products, were valued at £258.6m in the January-October period compared with £155.3m in the whole of 1984.

● **Moscow:** The Soviet Union yesterday offered strong support to Libya in its dispute with Washington saying that the US may still take military measures against Col Muammer Gaddafi, the Libyan leader, writes **Patrick Cockburn.**

Mr Mikhail Kapitsa, a deputy Soviet foreign minister, said yesterday: "We and our friends support and will be supporting Libya which is being subjected to such crude, imperialist pressure on the part of the United States."

The Soviet media has continued to attack President Reagan's measures against Libya and the move of the US Sixth Fleet towards Libya, but there is no sign that Moscow had taken any action to give further military support to Col Gaddafi. Moscow has no treaty obligations to defend Libya. The Soviet press also emphasises that Libya denies involvement in terrorist attacks in Vienna and Rome.

● **Milan:** The Italian Government responded to President Reagan's call for sanctions against Libya by calling for an urgent meeting of the foreign ministers of the European Community to discuss the matter, writes **Alan Friedman.** A statement from the ministry in Rome said that it would work to defeat international terrorism, underlining the fact that "Italy has paid dearly" as a frequent victim of terrorist attacks.

But Italy has close trading ties. It is Libya's largest trading partner in the EEC. About 15,000 Italians live and work in Libya.

● **Bonn:** Despite promising to make itself available for consultations with the US on economic sanctions against Libya, the West German Government yesterday made it clear that it would not take economic measures against Tripoli, writes **Peter Bruce.**

Mr Friedhelm Ost, the chief government spokesman, said after the Bonn Cabinet had met that economic sanctions would "not have the desired political effect," but he also called on West German industry not to try to take advantage in Libyan markets of an American withdrawal.

Libya is West Germany's third most important source of oil behind Britain and Nigeria. Around 1,500 West Germans work in Libya.

● **Paris:** The French Government said yesterday it was waiting to receive concrete proposals from the US on western sanctions against Libya before reacting to President Reagan's latest initiative against the Libyan regime, writes **Paul Betts.** However, Mr Roland Dumas, the French Foreign Minister, has already indicated that France would not break ranks with its other western partners on this issue.

Officials yesterday pointed out that the French trade deficit with Libya had worsened in the last few years. There are about 1,200 French citizens currently working in Libya.

S. African strikers bussed home

By Jim Jones in Johannesburg

TWO thirds of the 20,000 black miners fired by the South African group Impala Platinum at three of its mines had been bussed back to their homes by noon yesterday

The South African National Union of Mineworkers (NUM) reported that 26 men had been admitted to hospital with rubber bullet wounds. It said shots had ben fired by security personnel policing the bussing.

However, Mr Gary Maude, Impala's acting chief executive, contested the NUM's allegations and claimed yesterday that only 15 men had been treated for bruising by rubber bullets.

Impala, South Africa's second largest platinum mining company, sacked 20,000 men at three of its mines in the Bophuthatswana homeland on Monday after a six-day strike.. The company said employees who are not unionised had failed to heed management's calls to end the strike which had been staged in support of demands for improved working conditions.

● Mrs Winnie Mandela, the black South African civil rights activist, appeared in the Rand Supreme Court yesterday in an urgent application for restrictic-urgent application for restrictions imposed on her by ministerial edict to be declared unreasonable. On December 21 Mr Louis Le Grange, Law and Order Minister, imposed a banning order on Mrs Mandela prohibiting her from being in Johannesburg and Roodeport. This prevents her from entering Soweto, where she has her home.

Hong Kong 'betrayal' charged

BY DAVID DODWELL IN HONG KONG

MISS LYDIA DUNN, the effective political leader of Hong Kong's Legislative Council, yesterday called in uncompromising terms for the British Government to give 10,000 potentially-stateless non-Chinese citizens in Hong Kong the right to live in Britain after 1997.

She said that failure to do this "would add to the profound resentment felt by many of Britain's most loyal subjects who will believe their interests have been betrayed."

The carefully prepared attack on the British Government comes just a week ahead of a major debate on the nationality issue in Britain's House of Commons. It has the unanimous backing of all elected and appointed members of the Legislative Council.

Miss Dunn's demands have won official Hong Kong Government backing, though Sir David Akers-Jones, Hong Kong's Chief Secretary, warned yesterday that they raise "difficult questions of principle" for the British Government that will need "detailed consideration."

The nationality issue has been a controversial one in Hong Kong ever since Britain began negotiation with Peking over the return of Hong Kong to Chinese sovereignty in 1997. Under the Sino-British agreement, the territory's ethnic Chinese majority will be entitled to full Chinese nationality. Others will be entitled to a British national (overseas) passport, which will be little more than a travel document, conferring the right to live in Hong Kong, but not to settle in Britain.

China reports success in latest five-year plan

BY COLINA MACDOUGALL

CHINA last year successfully completed its sixth five year plan, meeting or in many cases exceeding its targets, the official Xinhua News Agency has announced.

However, the country faced problems such as inflation, which Xinhua put at 8.5 per cent although many observers believe it was higher, and excessive imports which ran down foreign exchange reserves.

Production of goods and services last year was worth more than yuan 1,500bn (£326bn), while growth in these sectors in the plan period 1981-1985 average 12 per cent a year, Xinhua said.

Total output value rose at 9 per cent annually over the period, while last year's national income (calculated as the value of total output less capital consumed) was more than yuan 610bn.

Speed of economic growth in China in recent years has meant that gross output value and over 30 major products—including grain, cotton, coal, oil, steel, cement and chemical fertiliser—reached their sixth plan targets two years ago.

This pattern continued last year with a 23 per cent growth in industry in the first half, though by December the whole-year figure was expected to show a fall to 17 per cent.

Last year's agricultural output value growth reached about 10 per cent with a marked rise in cash crops, except for cotton which was deliberately reduced.

Because of poor weather in some regions and farmers' preference for profitable sideline production, grain output fell from 1984's record 407m tons to 375m.

Former chief of Asean jailed in Indonesia

By Kieran Cooke in Jakarta

A FORMER Secretary General of the Association of South East Asian Nations has been sentenced by a court in Indonesia to ten years imprisonment for subversion. Retired Gen Hartono Dharsono had been accused of challenging accounts of the Government of President Suharto about riots in Jakarta in late 1984 and of inciting a series of subsequent bomb blasts.

Gen Dharsono had pleaded innocent to all charges and accused the state military apparatus of engineering the whole trial. He said that the trial had only been held to give the impression of law.

Thousands chanted as Gen Dharsono was led from the court. Riot police and troops armed with machine guns

Unemployment in US at five-year low

BY REGINALD DALE, US EDITOR IN WASHINGTON

US UNEMPLOYMENT in 1985 dropped to an annual average rate of 7.2 per cent, the lowest since President Ronald Reagan took office five years ago, the Labour Department reported yesterday.

Last month's civilian jobless rate was down to 6.9 per cent, the first time the figure had fallen below 7.0 per cent since April 1980, when President Jimmy Carter was still in the White House.

Welcoming the news, Mr Larry Speakes, the White House spokesman, said that "with this strong year-end finish, we can reasonably expect to exceed the Administration's forecast of a 6.7 per cent average unemployment rate for 1986."

Last year's average 7.2 per cent compared with 7.5 per cent in 1984, and was only marginally above the 7.1 per cent recorded in 1980, just before the last recession. December's 6.9 per cent was nearly four points below the recession peak of 10.7 per cent in November, 1982.

Last year's employment record showed healthy increases in jobs in the financial, insurance and other service sectors, but employment in manufacturing industry only picked up in the last three months, the department said.

Last year's gains were less than in 1983 and 1984, when the recovery was proceeding more rapidly.

Despite the rally towards the end of the year, manufacturing industry lost 100,000 jobs in 1985 as a whole, the department said.

Hardest hit were textiles, electronic and electric equipment, chemicals, primary and fabricated metals and non-electrical machinery.

Nevertheless, total employment reached an all-time high of 108.2m in December, a rise of 2m during 1985, with women accounting for 70 per cent of the increase. The proportion of the civilian population with jobs, 60.4 per cent, also reached record levels last month.

Jobless rates for teenagers (18.8 per cent), blacks (14.9 per cent) and Hispanics (10.4 per cent) remained at high levels in December. The white unemployment rate, however, was down to only 5.9 per cent.

Nicaragua and Colombia defuse row on M-19 attack

BY TIM COONE IN MANAGUA

A MAJOR diplomatic row between Nicaragua and Colombia has been avoided by the Colombian Government's acceptance on Tuesday of Nicaraguan explanations over alleged links between the Sandinistas and the Colombian M-19 guerrilla movement.

The allegations were first made by Mr George Shultz, US Secretary of State, following the seizure of the Palace of Justice in Bogota by the M-19 guerrillas last November and its bloody recapture by the Colombian army. The Colombian Government made no comment on any Nicaraguan connection at the time and it was not until last week that Mr Augusto Ramirez Ocampo, Colombian Foreign Minister, wrote to his Nicaraguan counterpart saying that of 10 rifles belonging to the guerrillas that had been discovered after the attack, eight had been supplied in 1976 to the Nicaraguan National Guard.

The National Guard was overthrown by the Sandinistas in 1979. The two other rifles, of Belgian manufacture, were part of a lot supplied by the Venezuelen Government to the Sandinistas early in 1979.

The Nicaraguan Government replied that only one third of the Venezuelan arms shipment ever arrived in the hands of the Sandinastas and that the whereabouts of the remainder are unknown. Neither could the Nicaraguan Government be held responsible for the National Guard rifles, it said, as "thousands of the National Guard" fled the country after the 1979 revolution.

TV nudity seduces Brazilian viewers

By Richard Foster in Brasilia

THE FRESH democratic breezes of Brazil's "new republic" have brought a liberalisation of media censorship. In a country where highly abbreviated bikinis are a trademark perhaps it was inevitable that naked models would invade Brazilian television screens.

Over the past two months a commercial has been aired in which a young woman dancing to an aria from Bizet's Carmen removes her only apparel, a pair of Calvin Klein jeans. The ad has helped the US manufacturer, a newcomer to Brazil, to the no 2 position in sales after Pierre Cardin. It has also created a trend in which Victorian standards, bolstered by 20 years of military rule, appear to have been thrown into the dustbin of television history. Even Westinghouse is now selling a washing machine with an ad in which an ordinary housewife strips down to her underwear and plunges into the rinse cycle.

The new nudity is not without controversy. Advertisements in Brazil must be approved not only by federal censors but by the owners of television stations. Frontal nudity in a commercial for an up-market bathtub was rejected recently by executives of the country's leading Globo Television Network. But under the Government of President Jose Sarney, the first civilian to occupy the presidency since 1964, it seems that, if done "artistically," television nudity is permissible.

The Calvin Klein striptease deftly illuminated and choreographed seemed to allure rather than shock most Brazilian viewers. It ran for more than two months after its October 23 debut and was featured during a two-hour interview with Fidel Castro.

But the National Conference of Brazilian Bishops (CNBB), the ruling body of the Catholic Church in Brazil, received irate letters from Catholics around the country who did not like the nudity. Fr Pedro Celso, a top CNBB official, said: "It is not nakedness we object to but the exploitation of the human body for profit in a capitalist society."

On the trail of the Lone Star state

BY MARY FRINGS IN DALLAS

THE COVERED WAGONS which once brought settlers to Texas in search of liberty and opportunity are on the move again, this time to honour the state's 150 th birthday.

A four-mile-long wagon train, headed by a detachment of US cavalry, set out last week from Sulphur Springs, a small dairy-farming community 80 miles east of Dallas, in a scene straight out of a cowboy film.

Outriders wore long trail coats, the women bonnets and shawls, and the tricolour banner which gave Texas its nickname of the Lone Star state was as much in evidence as the union flag. A few rebels carried the confederate colours.

Travelling at a leisurely four miles an hour, up to 150 wagon teams and 300 horseback riders will circle Texas in a 3,000 mile, six-month trek ending in Fort Worth in time for the Fourth of July.

Nearly 100 wagons and 200 riders had assembled in Sulphur Springs by New Year's Day. Some will drop out en route and others will join. On the eve of departure, local people who annually compete in the "Hopkins County Stew Championship" came in to cook a hot meal.

An authentic looking Davy Crockett was using an axe handle to stir a huge iron cauldron of beef chilli. His wife told onlookers: "He'll go back to being a mechanic in the morning."

After supper the venerable cannon which fired the first shots for Texan independence was loaded and managed to go off without either blowing itself to bits or blackening the faces of the assembled dignitaries.

For a finale, the US cavalry put on a display of mounted sabre and gun fighting to prove that training for modern warfare has not entirely displaced their traditional skills.

Undisputed queen of the wagon train is 78-year-old Hazel Bowen, who drove the Texas wagon to Valley Forge, Pennslylvania, for the national bicentennial 10 years ago. That was "six months of real living, in the way this country started out." She has every intention of going the whole bone-shaking way to Fort Worth, but "if the Lord calls me in the mountains, they can dig a hole right by the highway and put me in it."

Her grandparents came to the state by wagon and she has been around horses all her life. Hazel is the nearest thing to a pioneer in modern-day Texas, although in deference to her age the Wagon Train Association has provided a motor home for her to sleep in.


Modern-day pioneers set out on their 3,000-mile trek

Elmo and Helen Lun from Wisconsin are completely self-sufficient in their home-made covered wagon with its styrofoam lining for extra warmth. A bale of hay is lashed to the back along with a lean-to tent to shelter the horses at night.

"Big Pop" Logsdon and his wife Verdis, another couple in their seventies, have a sky-blue custom built wagon pulled by two mules. It has upholstered seats, a captain's chair for the driver and a toilet compartment in the rear. Visitors can ride in it for $50 a day.

Not all the riders are elderly. Each of the 64 pupils of the McCrossan Boys' Ranch of Sioux Falls, South Dakota, will have a month on the wagon train and there is a classroom on wheels for the other 25 school-age children who are travelling with their parents. It is equipped with 19th century woden desks but carries 20th century microcomputers.

Pamela Burchell, a "hopeless romantic" of Fort Worth, is driving an 1820s baker's delivery wagon and will have her two children aged eight and 10 aboard. Her husband will join the family in El Paso on his holidays. A bank loan has helped finance her wagon and the Belgian mare which pulls it.

Two hours before dawn the participants arose to organise their departure, which promised to be a logistical nightmare. Eventually, after several traffic jabs — wagons are not good at reversing — everyone was in place. Along with the state governor, there were many proud Texans in attendance to watch history passing them by.

Incentives produce bumper year for US car sales

BY TERRY DODSWORTH IN NEW YORK

A YEAR of bumper incentives and soaring imports marked 1985 as a record year for US auto sales as shipments for cars and trucks combined rose by almost 10 per cent to 15.6m units.

According to the preliminary figures from the industry, last year's sales easily topped the previous high of 14.9m vehicle deliveries set in 1978, at the peak of the boom which preceded the 1979 oil price rise. The third largest sales figure was achieved back in 1973, when total US vehicle sales amounted to 14.4m.

For cars alone, the record of 11.35m sales established way back in 1973 still stands, although shipments of 11.03m this year were well over the 1978 figure of 10.94m.

However, the figures also show that the domestic US car industry's position has eroded severely since the early 1970s as imports captured an increasing share of total sales—imports amounted to almost 26 per cent last year, up from a little under 25 per cent in 1984. At 8.2m units, US domestic car shipments are well under the figures achieved in four years in the 1970s and way below the 1973 record of 9.63m.

The domestic manufacturers point out that these figures exaggerate the slide in the US industry, since a considerable amount of car demand has shifted into the pickup and light truck sector. The US producers are dominant in this area, although this is partly attributable to a 25 per cent tariff on Japanese imports. Shipments in this market pushed total truck sales to their all-time high last year of 4.6m units.

In the car sector Japanese importers forged ahead last year, although self-imposed restraints kept their sales lower than might have been possible, while lixury car producers from Europe also achieved significant gains. Volvo, the leading European direct importer, had run up total sales of 99,900 by the end of November, and should therefore sell more than 100,000 cars in the US this year, while BMW's sales rose in the 11 months to 80,200 from 62,800, Mercedes-Benz's to 76,800 from 70,100 and Jaguar's 17,400 from 15,900.

Year	Domestic car sales	Car import sales	Total car sales	Truck sales inc imports	Total car/trucks
1973	9,631,082	1,719,913	11,350,995	3,029,274	14,380,069
1974	7,331,946	1,369,148	8,701,094	2,656,918	11,358,012
1975	6,760,912	1,500,928	8,261,840	2,397,417	10,659,257
1976	8,304,848	1,446,637	9,751,485	3,049,696	12,801,181
1977	8,849,722	1,976,512	10,826,234	3,465,193	14,291,427
1978	9,000,000	1,946,094	10,946,094	3,951,469	14,897,563
1979	8,005,652	2,351,053	10,356,705	3,472,209	13,828,914
1980	6,291,757	2,469,180	8,760,937	2,476,777	11,237,714
1981	6,012,239	2,431,680	8,443,919	2,185,401	10,629,320
1982	5,485,711	2,268,631	7,754,342,	2,430,471	10,184,813
1983	6,466,829	2,457,357	8,924,186	2,976,556	11,900,742
1984	7,595,704	2,522,527	10,118,231	4,047,192	14,165,423
1985	8,204,497	2,828,963	11,033,460	4,597,327	15,630,787

Among the US producers, General Motor's market share fell to 40.6 per cent from 41.7 per cent, while Chrysler's rose to 11.8 per cent from 11.1 per cent and Ford's fell back slightly to 21.4 per cent from 21.7 per cent.

General Motors, the leading US producer, sounded a note of confidence about the prospects for this year in its statement at the end of 1985, saying that it expected consumer demand to remain strong through 1986. Although there are mixed feelings about the industry in Wall Street, many analysts agree that sales should remain relatively strong, even though the market will demand constant stimulation from cheap financing.

Mr Anun Knight, from Paine Webber, for example, said yesterday that car sales could well rise this year to top the 1973 record, while profits of the big three US producers could increase slightly, helped by continuing cost cutting.

Kenneth Gooding on a revamp for Europe's top selling van

Ford transforms the Transit

FORD of Europe is next month to retire its longest-serving and most-profitable vehicle, the Transit van. The name is retained for the replacement, which has a new body but retains most of the old van's mechanical parts, and which was developed at a cost of $350m (£240m).

More than 2m Transits were built. The van was launched in August 1965 but given a major "facelift" in 1978, and has been Britain's best-selling commercial vehicle for 20 years. It was the most successful medium van in Western Europe for almost as long.

At its peak, in 1979, some 122,000 Transits were sold but competition from European manufacturers and Japanese imports cut annual output to about 85,000.

Once production of the new van is at full stretch in April this year, following the launch on February 6, Ford expects sales to reach 120,000 annually again.

Mr Mike Hammes, Ford of Europe's vice president, truck operations, says most of the increase will come from Continental markets, particularly West Germany, France and Italy.

Ford also has great expectations for Spain where in the past only about 500 old Transits a year were sold but where tariff barriers are coming down after the country's entry to the European Community.

Mr Hammes suggests the Transit will move from its current 12 per cent of Western Europe's 650,000-a-year medium van market back to 18 per cent while retaining the old vehicle's one-third share in the UK.

All but $100m of the capital investment for the new vehicle was spent in the UK, at Ford's Southampton plant on the south coast, which employs 2,600. Ford is the largest private employer in the area.

Some 125 robots have been installed in the plant's body shop, which is the most modern of its kind in the world. The heavy automation, however, has not cost jobs because the new Transit incorporates more features than its predecessor and employees have been shifted from the body shop to other parts of the plant.

Similar automated equipment has been installed at Ford's other Transit production facility, at Genk in Belgium which is under the management control of Ford of Germany. About 3,000 work on the Transit lines.

Ford expects to be producing all 36 new Transit derivatives by April when Southampton should be working at the full-capacity of 300 a day or about 75,000 a year.

Most of the vans will be sold in the UK but a few hundred special versions a week will be exported to the Continent — which will be mainly supplied by Genk — plus 40 kits a day for assembly at Ford's factory in Portugal.

Genk's capacity is the same as Southampton's but output will be limited by demand to 250 a day.

When production of the replacement is at full stretch in April, Ford expects sales in Western Europe to reach 120,000 annually, about the same as the Transit achieved at its peak in 1979.

The old Transit was exported to practically every market in the world but the replacement is designed specifically for Western Europe and only a few will be sold outside the area.

Ford spent another $150m to develop its direct-injection 2.5 litre Diesel engine, produced at Dagenham in the UK, for the new Transit, but introduced the power unit a year ago in the old van.

The company expects the Diesel to be used in about 70 per cent of the new Transits but with substantial variations in individual markets — ranging from 50 per cent in the UK to nearly 100 per cent in Italy.

The company will introduce a 3-litre Diesel later in the year for customers who need more power.

About one third of the components from the old Transit are carried over to the new version. Ford says the idea was to retain the old vehicle's strengths while improving the load-space volume, access, driver environment, ride and manoeuvrability.

The company claims the new body provides up to 13 per cent more load space and, compared with the earlier models, the new range will be 20 per cent cheaper to service for Diesel vehicles after 50,000 miles and 10 per cent less for pertol vans.

The same range of Ford 1.6, 2.0 and 3.0-litre petrol engines are offered, as well as the direct-injection Diesel. The shape and a five-speed transmission, offered as an option for the first time on a Transit, can give fuel consumption improvements of up to 6 per cent, says Ford.

Prices will be set nearer the launch date but are likely to be about 2 per cent above the list prices for present models. This increase, plus the use of automation at the factories, should give Ford as good a return on its investment as did the old Transit, Mr Hammes says.

Britain, India boost motors links

BY JOHN ELLIOTT IN NEW DELHI

THE BRITISH and Indian motor industries yesterday signed a memorandum of understanding in New Delhi aimed at increasing the transfer of UK motor component technology and stemming a gradual takeover of the Indian industry by Japan.

The memorandum was signed at India's first motor show which has drawn about 100 exhibitors with technology from Europe and the US, as well as Japan, for the country's rapidly expanding motor industry.

"We are going too far in one direction — the Japanese direction — and are not opening ourselves sufficiently to other technologies and now we want to correct the balance," said Mr Pran Talwar, president of the Automotive Component Manufacturers' Association of India. Mr Talwar signed the memorandum with Mr Anthony Fraser, director of the British Society of Motor Manufacturers and Traders (SMMT).

Mr V. Krishnamurthy, chairman of Maruti Udyog, the government-owned car company which started the Japanese invasion in 1982 when it linked up with Suzuki, agreed there had been a "marked bias" for Japanese motor technology.

However, he added: "I would like to advocate a more balanced approach. As a developing industry we must maintain links with all the major segments of the world auto industry.

"There is much to learn from the European and US industries as well as the Japanese industry."

Virtually every Japanese motor manufacturer has developed links with Indian companies since 1982 for two wheelers and commercial vehicles. Isuzu, Honda and Nissan have asked the Indian government to approve car projects.

Peugeot and Citroen of France have also proposed car manufacturing ventures and Britain's Austin Rover 2000 is being made in Madras as the Standard 2000.

Of the present 308 motor component collaborations, the UK has 119, most of which have been in operation many years. But Japan has 60, most of which have been introduced in the past 18 months.

Although the Indian automotive industry wants to change the balance between Japan—with which it signed a memorandum of understanding last October—and the rest of the world, it is also to encourage more Japanese companies to transfer technology.

This is being discussed this week by an official Japanese delegation to the motor show and the Indian component manufacturers are sending a representative to work in Japan for a year.

Missions similar to one from the British SMMT, which has been in New Delhi this week, will be arriving soon from the US and West Germany.

South Korea increases investment in chips

By Steven B. Butler in Seoul

ELECTRONICS companies in South Korea are planning to invest about 1 trillion (million million) won (£783m) in the next two years to develop technology for and to expand semiconductor production.

The Ministry of Trade and Industry says the investment is expected to raise semiconductor exports in value from about $1bn (£699m) last year to $3bn in 1988.

South Korean companies have yet to make a profit from large-scale memory chips, but they are positioning themselves for long-term growth in the world market ror semiconductors, which has been estimated to be worth about $300bn by the year 2000.

Korea spent 820bn won on semiconductor development from 1974 to 1985, and this has taken Korean electronics companies close to the forefront of semiconductor technology. Several Korean companies have the capability to produce 256-kilobit D-ram chips.

Funds for semiconductor development will be earmarked from South Korea's National Investment Fund, a pool of low-interest funds for expansion in specific industries.

The Korea Institute for Economics and Technology recently forecast that the country's annual semiconductor exports would increase to $12.19bn by the year 2000, accounting for an estimated 11.1 per cent of the world's export volume in that year.

UK bank arranges China credit line

LONDON merchant banker Morgan Grenfell has arranged deposit facilities of £25m and $35m with the Bank of China to finance British exports to the People's Republic, our Trade Editor writes.

The facilities, backed by the Export Credits Guarantee Department, are in addition to a recently renewed line of credit totalling £300m and $450m arranged by a group of banks. This line has been substantially under-used, however.

UK 'may be paying £1bn a year for imports curbs'

BY CHRISTIAN TYLER, TRADE EDITOR

BRITONS may be paying £1bn a year too much for cars, video-recorders, clothes and shoes, according to a study published today. That, it says, is the cost of protecting companies from Japanese and other Asian competition.

The study attempts to calculate the cost of agreements with foreign suppliers whereby they are persuaded to hold their exports to a certain quantity.

But these agreements, so-called voluntary export restraints (VERs), mean that domestic and foreign suppliers can charge higher prices.

For example the price of cars in Britain would drop if the VER on Japanese cars was removed, collectively saving motorists £500m a year or more, according to the authors of the study.

In their pamphlet for the London-based Trade Policy Research Centre, Mr David Greenaway, reader in economics at the University of Buckingham and Mr Brian Hindley, a senior lecturer at the London School of Economics, look at four industries protected by "voluntary" quotas.

They claim that restraints on Japanese videorecorders cost the British public £80m a year, saving or creating less than 1,100 jobs by the end of last year, at a cost of £80,000 per job in one year.

They estimate that restraints on imported trousers, shirts and blouses cost £52m, saving 4,000 jobs at a cost of £13,000 per job.

The figures for non-leather footwear were £28m, saving 3,700 jobs at a cost of £17,500 per job.

The cost of protecting the British motor industry would drop to only £175m a year if it were assumed that the differential between UK and other EEC car prices was maintained in the absence of a voluntary restraint arrangement.

According to various assumptions, the job saving for the British motor industry ranges from nil to 13,200, while the cost of each job saved could be £13,250 or £31,500.

The study comes after a similar analysis commissioned by the Government of the costs to the UK economy of protecting the British textile and garment industries with quotas under the Multifibre Arrangement (MFA).

The MFA is an officially-approved exception to the rules of the General Agreement on Tariffs and Trade. Voluntary export restraints are a means of circumventing the Gatt rules. For this reason they are seen by Gatt economists and other committed free-traders as a threat to the system.

Their removal will be one of the main priorities of the international trade negotiations under Gatt auspices that are expected to begin late this year or early next.

"What Britain pays for voluntary export restraints," by David Greenaway and Brian Hindley; Trade Policy Research Centre, 1, Gough Square, London EC4; £8.00 ($10).

Italians cut finest figure in men's clothes exports

BY ALAN FRIEDMAN IN ROME

ITALY last year exported $2.2bn (£1.53bn) of men's clothing, making it the world's leading exporter of menswear, ahead of West Germany, Belgium, France and the UK.

The Italian apparel association in Milan released the figures yesterday as part of the considerable hype which surrounds the opening in Florence and Milan tomorrow of Italy's men's fashion trade fairs.

The 123,000 workers who toil away in basements from the Adriatic reaches of the Abruzzo region to the outskirts of Milan may find it small consolation, but Italy's fashion world is all abuzz.

The glitzy world of Italian fashion is preparing to converge on the Palazzo Strozzi in Florence for a black tie ball on Saturday which should provide plenty of photo calls. But, despite the endlessly gossipy and showy nature of Italian fashion, this is serious business.

Armani, Ferre and Versace lead the way when it comes to men's fashions, but there are another 4,050 menswear manufacturers in Italy who have at least 10 employees. Consider the four to five-person family pieceworkers who are employed in this industry—many in a greyish part of the Italian economy—and the number of enterprises is doubled.

Industry figures show that during the first eight months of last year menswear exports to the US, the third largest consumer of Italian clothing after West Germany and France, rose 51 per cent. British purchases from Italy dropped by 10 per cent.

In all Italian menswear companies last year sold $5.7bn of clothes and of this 39 per cent was exported.

The more celebrated women's fashion shows are held in March, and just in case there was any jealously between the two sectors the manufacturers' association stressed yesterday that women's clothing sales last year also totalled $5.7bn, of this 40 per cent was exported.

Moscow and allies continue pipeline talks

By Leslie Colitt in Berlin

THE Soviet Union and its six East European allies have yet to agree on details for the joint construction of a 4,500 km pipeline from the Yamburg gas field in Western Siberia to Eastern Europe.

Moscow's Comecon partners are to receive urgently needed gas through the pipeline in exchange for help in building

A Hungarian publication has noted that, although agreement on the pipeline was reached in principle in late October 1984 the negotiations on each country's investment share have "not yet been concluded."

It said the discussions were protracted because of the "tight" financial position of Moscow's East European partners.

In the past the other Comecon countries have had to provide equipment, tens of thousands of workers, and hard currency outlays for Western technology and components for Soviet pipelines to Eastern Europe.

UK NEWS

BP seamen to be replaced by agency crews

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BP SHIPPING yesterday announced drastic measures to stem losses of about £20m a year. Unions have reacted strongly to its decision to use outside crewing agencies on its remaining fleet.

The move by the British Petroleum subsidiary is its latest to deal with the prolonged tanker crisis. BP has cut its fleet sharply in recent years, as have other oil groups, as tanker rates have stayed low.

BP Shipping has made operating losses of about £160m in the past five years. "The international shipping market has presented a dismal picture," said Mr Ian Hartigan, the managing director.

The main features of the programme to bring BP Shipping back to profit this year, before redundancy costs, are:

- Redundancies costing over £50m. The 1,690 seafarers will be given early retirement and redundancy terms. They will have first choice of jobs with the agencies on the ships. Head office staff will be cut by 25 per cent from 265.
- Use of manning agencies to crew the 30 tankers, down from 52 in 1981, and four specialist offshore vessels. This will save BP £10m-£12m a year. Employees taking both redundancy and new agency contracts will have the same pay and conditions.
- An £80m writedown in the book value of BP's shipping assets to current market values of about £40m. This will save a further £12m or so a year on depreciation, insurance and other charges.
- The flagging-out of UK-registered ships, possibly half of the tankers, to the Bermudan registry under which they will still fly the British flag and be available for wartime use.

Operating losses of BP Shipping in the first nine months of 1985 were £17m, with a £19m loss in 1984. Mr Hartigan said that with the expected savings, "1986 should see us back in the black."

Both seafarers' unions opposed the BP action, calling it sudden and unjustified. Mr Eric Nevin, general secretary of the National Union of Marine, Aviation and Shipping Transport Officers, with 970 members at BP, said the news came in the middle of talks with BP about the fleet's future.

Mr Jim Slater, general secretary of the National Union of Seamen (NUS), with 720 members at BP, said urgent talks would be sought with BP to protect employment conditions and jobs.

He said: "If BP thinks it can use manning agencies to do its dirty work and cut pay and crew levels, then it is likely to have a fight on its hands with the NUS."

BP said it had notified its decision to the Government, which had expressed understanding. Mr Slater said he hoped the Government would now act to restore the fortunes of the British fleet.

The latest measures do not affect BP's £100m Swops (single-well oil production system), for which it has ordered a complex ship from Harland and Wolff to extract oil from small accumulations.

BP did not say which agencies it would use, although it is believed some of the three manning companies for the tankers are based in the Far East.

Investment company's Lloyd's link investigated

By John Moore, City Correspondent

AN INVESTIGATION has been carried out by the authorities of the Lloyd's insurance market, the Bank of England, and the Department of Trade and Industry into the relationship of an investment company and Janson Green, an underwriting agency company headed by the former chairman of Lloyd's, Sir Peter Green.

Over 1,000 underwriting members of Lloyd's, whose affairs are managed by Janson Green, have been told of the investigation in a letter sent by the agency company earlier this week. The letter has been sent to the members in reply to allegations made by Mr Brian Sedgemore, the Labour MP in the House of Commons.

In the letter Mr Peter Valentine, chairman of Cresvale Securities, the investment company, and a director of the Janson Green underwriting agency, tells the members that following reports in 1983 "the specific relationship between Cresvale and Janson Green was thoroughly investigated by Lloyd's, the Bank of England and the Department of Trade."

In Parliament in the last few weeks Mr Sedgemore had called for an investigation into the relationship of Janson Green with Cresvale. Janson Green holds a 49 per cent interest in Cresvale, and Mr Valentine holds a 51 per cent shareholding. Mr Sedgemore questioned why investments for Lloyd's syndicates under the management of Janson Green had been carried out through Cresvale rather than through an independent stockbroker.

Mr Valentine says in the letter: "There is nothing uncommon in a Lloyd's underwriting agency being closely associated with an investment management company that provides a service to its names (the members)."

He says that Cresvale Securities not only provides investment management services to the syndicates managed by Janson Green, but also to other Lloyd's underwriting agencies and to private and institutional investors within and outside the UK.

Mr Valentine says that one of Cresvale's clients was the Imperial Insurance Company (Cayman Islands), an offshore company in which a charitable trust established by trustees of a settlement of Sir Peter Green held a 7.5 per cent shareholding until the autumn of 1984.

Mr Valentine says that Cresvale was also a shareholder of Imperial, which became 100 per cent-owned by Hogg Robinson Group, the insurance broker in 1984. Cresvale received dividends on its Imperial shares.

Also in the letter Sir Peter details how insurance syndicates, into which the members were grouped and were managed by Janson Green, traded with Imperial.

He says that the charitable trust to which he gave his Imperial shares in January 1983 could only be used to assist genuine causes, and that the substantial donations made by the trust "have all been to bona fide charitable causes."

Philip Stephens looks at the background to yesterday's jump in interest rates

Pound's winter chill returns for Lawson

IF MR NIGEL LAWSON, the Chancellor of the Exchequer, has never been superstititious, he must be beginning to wonder.

A January sterling crisis and a parallel rise in interest rates looks in danger of becoming a fixed event in Britain's economic calendar – timed to disrupt the first serious talks among Treasury ministers on the shape of the spring budget.

Yesterday's 1 per cent rise in base rates to 12½ per cent did not have the drama of last year's reintroduction of minimum lending rate and the eventual 4½ per cent increase in base rates.

There are important differences between the start of 1985 and now. The pound is at about the same level against European currencies, but it has risen sharply against a weakening dollar.

Then the dollar was breaking records by the day and the pound was heading for parity with the US currency. Now, sterling is worth about 35 per cent more in dollar terms.

The immediate outlook for British prices at the beginning of 1985 was also less optimistic. Inflation was heading upwards from 5 per cent. Now, few economists doubt the official forecast that it will fall below 4 per cent by the middle of 1986.

Interest rates in the rest of the world have also come down, leaving Britain with the highest real, or inflation adjusted, borrowing costs among the leading economies.

Ministers have learnt something about public relations and City of London confidence. Last year's PR disasters have been avoided and instead of waiting to be pushed the Treasury has acted quickly to demonstrate its anti-inflation resolve.

There remain, however, important similarities between this year and last – similarities which will have Mr Lawson sitting on the edge of his seat for some time yet.

The latest flurry on the foreign exchanges really started in December after the Organisation of Petroleum Exporting Countries (Opec) signalled its determination to defend its share of a shrinking world oil market.

The resulting speculative attack against the pound faded as bankers closed their books over Christmas, but there were plenty of predictions that the spectre of a tumbling oil price would return to haunt the pound once the festivities were over.

The problem for the Government – and for speculators in the foreign exchange markets – is to judge just how far the oil price will fall. A dr– to $22 a barrel may already be discounted in sterling's exchange rate, but with some experts forecasting a price below $20 foreign exchange operators have been taking no chances.

The timing of the unease in London's financial markets is none the less puzzling if seen purely in the context of oil price worries. Until yesterday a cold snap had kept oil prices relatively firm.

The explanation of why the crunch for sterling has come sooner probably lies in another similarity with last year – unease in the City over the Government's monetary and fiscal policies and fears that it will sacrifice financial probity for tax cuts.

Mr Lawson and Prime Minister Margaret Thatcher saw the danger signals last month and tried to counter them with some tough words on the primacy of their anti-inflation strategy over tax cuts and everything else.

The acceleration of the official privatisation programme to offset public spending overruns and the rapid growth of the broad money supply have left financial markets distinctly edgy.

The Government last year successfully weaned the markets off a mechanistic response to rises in sterling M3, the broad money supply measure. The official explanation that it was being distorted by an upward shift in the demand for money was widely accepted.

But the build-up of liquidity and expansion of bank credit which this implies – underlined by this week's figures showing a £2.1bn rise in bank lending last month – has remained a cause of unease. The Bank of England acknowledged last month the risk that it could be translated into a weaker pound and higher inflation if confidence waned.

At the same time, the City is not convinced that Mr Lawson will be able to resist the political pressures for tax cuts in the run-up to the next general election.

Mr Gavyn Davies, chief UK economist at broker Simon and Coates, believes that it is this lack of implicit trust in the authorities' policies rather than economic fundamentals which has kept real interest rates at "crisis levels."

That, along with the worries over oil prices and a perception that Mr Lawson has yet to come to grips with the psychology of financial markets, means that investors in sterling now demand a hefty interest-rate premium.

The Chancellor's hope now is that by acting quickly he has done enough to prevent a complete rerun of last year and to preserve the remaining room for manoeuvre to cut taxes in the spring.

The view among City brokers such as Laing & Cruicksbank last night was that as long as the oil price does not slump, yesterday's move will probably be enough to restore confidence.

Treasury ministers at a meeting this weekend will have to acknowledge that the £3½bn of tax cuts pencilled in for this year in the Government's medium-term financial strategy is hopelessly optimistic.

The best guess of outside economists is that lower oil revenues have already reduced the scope for tax cuts to £2bn or less and that figure depends on oil prices not falling much further.

The Government's inflation forecast, however, so far looks relatively secure – the impact of the depreciation of sterling over the past few months will have been at least partly offset by the beneficial effect of lower oil prices.

Sterling's fall against European currencies will also provide a boost to exports and growth which should mitigate the damage done by higher interest rates.

City watchdog presses for change in rules

BY OUR CITY CORRESPONDENT

THE SECURITIES and Investments Board (SIB), which is to become the new main regulatory body for London's financial community, is set to clash with the Government over a key measure in proposed legislation for the supervision of financial companies.

The SIB, headed by Sir Kenneth Berrill, is worried that its powers of intervention in the regulation of the City could be restricted if measures under the Financial Services Bill are implemented.

In the new regulatory structure proposed for the City a new main supervisory body (the SIB), with delegated powers from the Department of Trade and Industry, will police the financial community.

The SIB will recognise a number of self-regulatory organisations to supervise the affairs of members of various markets. Among those seeking to form self-regulatory organisations are the Stock Exchange, fund managers, international securities groups, licensed dealers, the life assurance and unit trust movement.

New organisations will be able to devise their own rules to regulate affairs in their markets. Before the new organisations are allowed to operate they will need to gain approval from the SIB.

SIB officials are concerned that the new legislation will only allow the main regulatory body to intervene to change the rules of the self-regulatory organisations through the courts, rather than give the agency recognised statutory powers to force the self-regulatory organisations to make changes.

The SIB wants it clearly established in the new legislation that its rules would take precedence over a self-regulatory organisation. It is likely to lobby for an amendment to the legislation during the passage of the Financial Services Bill.

The board will soon issue its draft conduct of business rules which will set down guidelines for self-regulation.

Volvo calls for status change

By Kenneth Gooding

VOLVO of Sweden is to renew its controversial attempt to have the company which operates its truck and bus assembly plant at Irvine in Scotland reclassified as a UK manufacturer by the British Society of Motor Manufacturers and Traders.

UK status was awarded to the concern, Volvo (Truck and Bus) in August 1982, but withdrawn by the society a year later after criticism by Leyland Vehicles, the subsidiary of state-owned BL.

Mr Bernt Brandtzaeg, managing director of the Swedish group's wholly owned truck import, distribution and production subsidiary in the UK, pointed out yesterday that UK status would open up business with the large fleets of British nationalised corporations.

Last year about 1,700 trucks and buses were produced by the Irvine plant and more than 200 were exported. The total was roughly the same as production from ERF, a UK-owned company, and Seddon Atkinson, now controlled by Enasa, the state-owned Spanish group.

Chloride to announce reorganisation plan

BY JOHN GRIFFITHS

A SUBSTANTIAL reorganisation of Chloride, the troubled UK based batteries group, is to be announced within the next week.

Details of the reorganisation are to be given to employees over the next few days. The group employs 11,500 worldwide, of which 4,000 are based in the UK.

The reorganisation has been precipitated by Chloride's failure to achieve better than break-even in the first half of its current year and the stepping down – at the board's request – of Mr Ken Hodgson as chief executive last month.

It is being overseen directly by Sir Michael Edwardes, chairman, who has taken on temporarily the chief executive's role

Chloride's UK operations are understood to be a prime target of the reorganisation. They account for about 70 per cent of Chloride's revenue within Europe, but are seen as seriously in need of measures to cut costs and improve margins.

Heseltine flies into calmer weather over Westland

BY PETER RIDDELL, POLITICAL EDITOR

THE WESTLAND affair may now have passed its political high tide, even though the future of the company is still a long way from being resolved.

There could still be squalls to come, particularly with opposition attacks after Parliament returns next Monday. But all the signs in the last two days have been that Mr Michael Heseltine, the Defence Secretary, has decided to lower the temperature and to move back from the increasingly exposed position he was in on Monday when he was criticised by colleagues.

Mr Heseltine is still determined to press his case to the European consortium, as he will at this morning's Cabinet meeting, but apparently not to the point of provoking dismissal or resignation on a point of principle.

Yet there remain big questions on what has become one of the most public disputes which most current or former Cabinet ministers can remember. A veteran of the conspiracies of the Wilson era says that while, of course, bitter rows then were leaked by both sides, they were promptly denied in public by the protagonists.

This time neither side makes any pretence of covering up the dispute. Open lobbying has been carried out by "friends" fully briefed by Mr Heseltine or Mr Leon Brittan, the Trade and Industry Secretary, as Mr Patrick Jenkin, the former Environment Secretary, candidly confessed on Tuesday.

To most MPs, who care little and know even less about the details of defence procurement policy, the central issue is why, in Mr Jenkin's words, has Mr Heseltine gone out on such a limb?

It is impossible to distinguish the policy issues involved from personalities since the ambitions of particular ministers are inextricably intertwined in all political decisions. That is the nature of politics.

There is no doubt that Mr Heseltine does feel strongly about the need for increased European cooperation in defence procurement and he is genuinely worried about the dangers of US domination. When the matter was discussed by a Cabinet committee a month ago Mr Heseltine received some support from other ministers on this point, apparently including Sir Geoffrey Howe, the Foreign Secretary, and two or three other senior ministers. But otherwise it is difficult to gauge the extent of ministerial support as opposed to broad sympathy, for the Defence Secretary since the matter has been so briefly discussed.

Mr Michael Heseltine

Mr Leon Brittan

More significant, however, is that many ministers who broadly share this concern remain puzzled about why Mr Heseltine has become so apparently obsessed about such a relatively small company.

There does not appear to have been a clear cut plan of campaign, nor any carefully worked out leadership bid. It is rather that an unexpected event has brought to the surface some of Mr Heseltine's broader frustrations with the way Mrs Margaret Thatcher runs her Government.

Mr Heseltine's relations with Mrs Thatcher have been increasingly strained. There have been stories of sharp clashes of words and the Defence Secretary feels that she allows insufficient collective discussions. Most decisions are taken in small ad hoc groups at Downing Street with the Cabinet playing largely a formal role.

The Westland issue has been discussed by the Cabinet's Economic Strategy Committee and briefly at the Cabinet itself on December 19. But Mr Heseltine has felt that Mrs Thatcher's refusal to allow a fuller debate has forced him to campaign outside the usual Whitehall channels.

The affair has also highlighted long-standing differences of approach between Mr Heseltine and the Prime Minister. The Defence Secretary is an unashamed interventionist. He believes that the Government should take an active role on issues ranging from the inner-cities and regional policy to defence procurement. Indeed, last Friday's announcement of large defence orders for Merseyside is in many ways a far more significant case of government intervention than Westland.

Few ministers take as interventionist a line as Mr Heseltine, apart possibly from Mr Peter Walker, Energy Secretary and Mr George Younger, Scottish Secretary, though more agree with his emphasis on European co-operation. But, in practice, the question is academic since most ministers are onlookers with only perhaps half a dozen having been at all directly involved.

The reaction of Conservative backbenchers is similarly difficult to gauge. This is partly because backbench views are shapeless in the absence of the discussion in the corridors and bars of Westminster which frame opinion when Parliament is sitting. Mr Heseltine has had his case argued on countless television and radio programmes by backbench defence specialists like Dr Keith Hampson, his former Parliamentary Private Secretary, and Mr Michael Mates, a member of the Commons defence committee. But they are not typical.

Otherwise, there does not appear to be a large pro-Heseltine lobby. Unlike his old friend and rival Mr Walker, Mr Heseltine is a political loner who does not spend time at Westminster cultivating backbench support. If he ever does succeed to the Tory leadership it may be more to do with the disadvantages of other candidates rather than because of any big groundswell in his favour.

Hence if Mr Heseltine had wanted to make the Westland affair a time to resign on principle, he has not taken the precaution of preparing the ground beforehand to secure backbench support. An alternative view is that a principled resignation now would enable Mr Heseltine to strike out an independent position away from Mrs Thatcher ahead of a leadership contest in three or four years' time.

Whatever view Tory MPs take on the merits of the case, they are mainly concerned that it should not go on much longer. Their fear, shared in Downing Street, is that such public squabbling can only help the opposition parties. A general view is that Mr Heseltine should now rein back and leave the matter to the shareholders.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1984							
4th qtr.	103.5	101.3	105	112.7	164.0	3,103	153.9
1985							
1st qtr.	106.0	102.7	104	113.3	133.9	3,138	153.6
2nd qtr.	108.2	103.5	109	115.0	141.4	3,174	161.7
3rd qtr.	107.8	102.8	93	116.4	145.2	3,179	164.4
April	108.2	103.3	100	113.5	140.3	3,176	161.0
May	108.2	102.7	110	115.3	142.0	3,177	160.7
June	108.3	104.5	117	116.0	141.8	3,169	163.4
July	107.9	102.3	88	116.0	146.9	3,175	163.0
August	107.3	103.0	96	117.5	145.4	3,183	162.9
September	109.1	103.2	96	115.9	143.7	3,179	167.3
October	108.8	104.0		114.1	149.7	3,173	172.6
November				117.6	164.7	3,165	170.0

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
4th qtr.	102.5	98.6	106.2	100.0	106.0	99.3	13.3
1985							
1st qtr.	102.6	102.2	109.3	103.3	111.5	99.0	13.8
2nd qtr.	102.4	103.5	113.2	104.4	116.3	99.2	18.6
3rd qtr.	103.2	101.7	112.8	102.6	117.5	101.0	17.1
April	102.1	103.0	113.5	104.0	115.0	99.0	17.9
May	101.5	103.0	113.9	104.0	116.0	98.0	19.9
June	103.7	104.5	112.3	106.0	117.0	101.0	17.9
July	102.1	101.3	111.8	102.0	117.0	100.0	18.4
August	103.6	101.2	111.9	103.0	119.0	102.0	15.5
September	103.9	102.7	114.7	104.0	117.0	102.0	17.4
October	104.3	104.8	112.8	104.0	115.0	100.0	20.2

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
4th qtr.	119.7	129.1	−1,313	+424	+1,468	96.6	15.52
1985							
1st qtr.	120.5	128.5	−1,283	−408	+1,862	96.5	13.53
2nd qtr.	120.6	126.0	−222	+1,435	+2,368	98.2	14.32
3rd qtr.	115.0	123.1	−150	+1,162	+2,042	100.6	14.18
4th qtr.							15.54
April	121.8	130.2	−259	+210	+687	97.3	14.03
May	121.7	121.0	+252	+721	+838	98.3	13.98
June	118.4	126.9	−216	+336	+843	99.1	14.32
July	117.0	123.0	−77	+491	+663	99.4	14.26
August	113.4	123.3	−236	+333	+626	101.3	14.26
September	114.6	124.7	−230	+338	+644	101.1	14.18
October	119.1	125.7	0	+400	+760	101.2	16.31
November	118.6	129.1	−141	+259	+675	102.6	15.98
December							15.54

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1984							
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,946	9.63
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,146	13.50
2nd qtr.	5.1	32.4	20.4	19.2	1,523	3,064	12.50
3rd qtr.	5.5	15.4	11.6	17.5	1,771	3,380	11.50
4th qtr.							11.50
April	5.4	22.2	18.8	19.5	507	1,061	12.63
May	4.2	33.2	18.4	17.7	615	1,042	12.63
June	5.7	44.6	25.1	20.2	401	961	12.50
July	4.4	19.1	8.3	16.8	650	1,129	11.50
August	2.4	22.9	14.4	21.8	524	1,126	11.50
September	1.1	5.2	12.3	14.1	597	1,125	11.50
October	−1.5	24.9	19.8	18.7	796	1,147	11.50
November	3.0	21.5	20.4	17.6	638	1,063	11.50
December							11.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
2nd qtr.	170.3	138.8	139.4	375.3	339.4	278.13	78.9
3rd qtr.		133.1	140.2	376.3	335.5	251.12	82.2
May	169.4	138.8	139.5	375.6	339.3	279.98	78.7
June	171.9	136.7	139.6	376.4	340.1	278.13	79.9
July	173.7	133.9	139.9	375.7	335.3	259.51	83.6
August	173.4	132.8	140.1	376.7	335.3	254.34	81.6
September	178.1	132.7	140.5	376.5	335.8	251.12	81.4
October	174.0	131.3	140.8	377.1	335.5	249.46	80.4
November		131.9	141.4	378.4	337.4	n/a	80.0
December						n/a	79.1

* Not seasonally adjusted.

هكذا من الأصل

Don't you wish you were a Norwich Union with-profits policyholder?

Just look at the figures. They show that on a 25-year Endowment Policy, maturing 1986, Norwich Union pays out way above the average. Yet another Special Bonus boosts the Norwich Union figure to a massive £43,594, an outstanding return on premiums of £30 per month.

Norwich Union returns are consistently among the very top because of the skilful way we invest policyholders' money. Because we are a Mutual Society – all the profits belong to you, the policyholder. And because of the way we make your money grow – through bonuses that become *permanent* additions to your policy.

HOW NORWICH UNION MAKES YOUR MONEY GROW

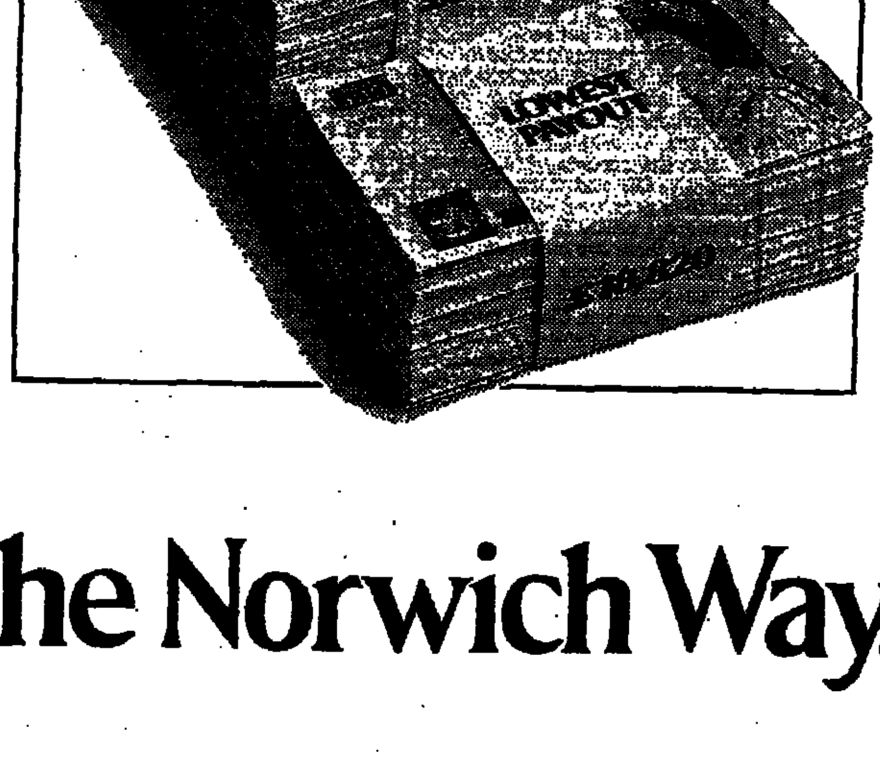
Norwich Union believe that the best way to distribute profits is through bonuses that become a *permanent* addition to the value of your policy. We pay generous Annual Bonuses, and because of our great financial strength, we are often able, like this year, to declare Special Bonuses as well. This sets us apart from many other companies who do not pay Special Bonuses. Remember, on a with-profits endowment policy, once Special and Annual bonuses are given they cannot be taken away.

When your policy matures, Norwich Union also pay an Additional (some companies call it 'Terminal') Bonus. Since this Bonus can vary, up or down, according to current investment conditions, Norwich Union place less emphasis on this than most other companies, preferring to give policyholders permanent guaranteed benefits rather than wait until the policy matures. Even if you have to cash in your policy in mid-term, this means you still enjoy a greater payout.

A Norwich Union Policy isn't just superb value for money. It means you benefit from real security, and peace of mind.

INVESTMENT WITH FLAIR AND CARE

Norwich Union are masters of investment, investing with flair and care in the most dynamic sectors of the economy: in property and ordinary shares, including oil. Our successful investment strategies not only enable us to declare excellent Annual Bonuses, but, once more, a Special Bonus as well.



Amounts refer to current payouts for Norwich Union, and U.K. industry figures published in the latest Money Management Survey, May 1985. All figures based on a 25 year with-profits endowment policy for a man of 29 paying £30 per month.

CHOOSE NORWICH UNION

You should *not* choose a Life Insurance Company because of the size of the benefits shown in its illustrations.

The key to your decision is the track record of the companies being considered.

Some companies have never paid out as much as the benefits they currently illustrate, despite high inflation and exceptionally high interest rates over the last ten to fifteen years.

Only deal with a company which has a top class record of payouts. One like Norwich Union.

When you've found such a company, look for guarantees. They are not readily seen from illustrations, but remember, the smaller the proportion of a with-profits policy that is allocated to additional bonuses, the greater the guarantees.

With Norwich Union you will have the best combination – top payouts and realistic Additional Bonuses.

You get outstanding value for money – and the peace of mind that a secure investment brings.

CHECK WITH THE EXPERTS

Do seek independent financial advice, from an insurance broker, say. Your broker will be able to help you find the with-profits policy that most suits your needs – be it a way of repaying a mortgage, a pension plan, or profitable long-term savings.

We're sure your broker will agree that by any objective standards, Norwich Union's value for money is extremely hard to beat.

You're better off the Norwich Way.

NORWICH UNION INSURANCE

UK NEWS

Robin Pauley reports on the latest findings of the Government's Social Trends

Employed gain more leisure time

THE TREND in Britain over the last 20 years has been towards a reduction in working hours which, with an increase in holiday entitlement, has meant a substantial rise in people's free time, according to the latest issue of the Government's Social Trends.

The annual publication, which documents the changes in UK social patterns, says that men have continued to gain more than women from the trend. Full-time male employees have 33.5 hours of free time a week, compared with 24.6 hours for their female counterparts and 32.2 hours for housewives.

Housewives have the most free time on weekdays – 4.2 hours compared with 2.6 and 2.1 hours for full-time male and female employees – but they pay for it at the weekends when they have only 5.6 hours free a day, compared with 7.2 hours for female employees and 10.2 hours for men.

This indicates that, whether working as full-time employees or working full-time in the home, women spend more time than men on domestic work, shopping and child care.

Not surprisingly, therefore, women spend more hours of the week asleep – 59.2 hours for housewives and 57.5 hours for full-time female employees, compared with 56.4 hours for men.

In 1963, 97 per cent of full-time manual employees had a basic holiday entitlement of only two weeks. By 1984, 95 per cent were entitled to four weeks or more and 19 per cent to five weeks or more.

With their free time, people spend more time watching television – 26¼ hours a week for men and 31½ hours for women – and less time listening to the radio. The average of eight hours and 44 minutes a week spent listening to the radio in 1984 was the lowest for several years. The smallest national audience was for BBC Radio 3, the classical music channel, listened to by just over 1 per cent of the population.

People spend even more time watching television than the figures suggest because they exclude the use of video recorders, which were owned by 24 per cent of all households by 1984.

Cinema admissions continued to tumble, down to 52.7m in 1984 compared with 83.6m in 1981 and 176m in 1971. Gross box-office takings in British cinemas fell from £122m in 1983 to £103m in 1984.

Reading is increasing in popularity judging from the number of new book titles published – 51,555 in 1984 compared with 43,083 in 1981. There has been a large increase in mass-market paperback publishing in recent years and a big increase in the number of book titles originating in the US, now up to about a quarter.

About 28 per cent of adults do not read a national or regional morning newspaper and in 1984 nobody (statistically) from the lowest social classes read either The Times or the Financial Times.

Of those who gamble, young women prefer bingo, while men opt for the football pools and betting. Casinos are big business in Britain, with nearly £1.5bn being gambled in 1984, more than 60 per cent of it on roulette.

Nearly 16m British residents escaped the uncertain climate in 1984 and took a holiday abroad, 85 per cent of them going elsewhere in Europe, mainly to Spain. Households spent an average £4.28 of their weekly income on holidays, less than the £4.36 for television, radio and musical instruments and the £5.30 on alcohol consumed away from home. An average of £2.86 was spent on materials for domestic repairs and £3.18 on meals eaten away from home.

The British are progressively eating less of all meats except poultry. Consumption of fish, which had been increasing steadily during the 1980s, fell back sharply in 1984. Butter continues to fall in popularity, consumption having halved since 1981, while that of margarine has increased by a quarter.

Better-off households bought less bread and fewer eggs than poorer households. Those with a weekly income of more than £355 from the head of the household consumed two and a half times more fruit per person each week than households whose head had a weekly income under £83.

Whether this indicates healthier eating habits is still not clear. Some 39 per cent of men and 32 per cent of women are overweight for their height. Circulatory disorders remine the largest cause of death, responsible for nearly half of the 659,000 deaths in 1983.

● It has become increasingly difficult to enter British universities as an undergraduate, Social Trends shows.

The universities have a score system for GCE A Level examinations which translates A Level grades into points.

The mean A Level score of undergraduate new entrants in 1983–84 was 11.0 compared with 10.3 in 1981–82.

Some subjects have always needed high grades, led by veterinary science, where the mean A Level requirement score rose by only 0.4 to 14. But in other subjects including education sociology and physics, the mean score required has risen by more than 1.0.

In addition to veterinary science and physics, medicine, mathematics, law, electrical engineering, English, history, economics and French all need mean scores higher than 10.

The professional and intermediate classes still account for most university places, taking 70.3 per cent in 1984 compared with 73.4 per cent in 1981.

Children from skilled manual and non-manual homes took 22.5 per cent of places in 1984, compared with 21.4 per cent in 1981, while the partly skilled moved up from 4.2 per cent to 6.2 per cent. The unskilled remain at about 1 per cent.

These apparent class differences largely disappear when comparing candidates of similar performance at A Level. But generally children of the professional classes appear to achieve better A Level results.

The improvement in the proportion of university places achieved by the non-professional groups is better than it looks because the universities are taking fewer students overall. In 1984, 65,800 were accepted (plus 5,900 students whose class was not classified) compared with 67,200 (plus 7,300 unclassified) in 1981.

The total number of UK students in full-time higher education was 534,000 in 1983–84, compared with 521,400 a year earlier.

Social Trends 16, 1986 edition; £19.95; HMSO

WORK TIME NEEDED TO PAY FOR ITEMS AND SERVICES

	Minutes					
	1971	1976	1981	1982	1983	1984
1 white loaf	9	8	8	8	7	7
1 lb rump steak	54	58	57	57	53	51
500 g butter	20	19	20	21	19	17
1 pint milk	5	4	4	4	4	4
Twelve eggs	22	22	16	16	13	16
100 g instant coffee	22	19	19	17	23	22
125 g tea	9	5	7	6	6	8
1 pint beer	13	11	12	12	12	12
20 cigarettes	22	18	20	20	21	21
1 gallon petrol	33	35	36	34	34	33
Telephone weekly	50	56	42	45	40	38
Cinema admission	29	31	34	34	34	34

All calculations for married man on average hourly male earnings with non-earning wife and two children under 11. Base for calculations changed in 1983 from average hourly earnings of males over 21 to all males on adult rates of pay. In most cases the change has added one minute of work.

DURABLE GOODS IN BRITAIN

Percentage of households with:	1973	1979	1983	1984
Refrigerator	78	92	94	94
Deep-freezer	—	40	57	61
Washing machine	67	74	80	79
Tumble drier	—	18	28	29
Dishwasher	—	3	5	5
Telephone	45	67	77	78
Central heating	39	55	64	66
Colour television	94	66	81	83
Black and white television	94	31	17	14
Video recorder	—	—	17	24
Home computer	—	—	—	9

There are about 20m households in Britain

Number of jobless rises steadily

UNEMPLOYMENT has been on a steadily rising path in Britain for 25 years, interrupted with a small and brief improvement in the late 1970s before accelerating very sharply during the 1980s.

Social Trends shows that in 1961 the unemployment rate was just 1.3 per cent with 292,000 people out of work. Ten years later, another 500,000 people were without jobs, taking the unemployment rate up to 3.3 per cent. By 1976 the number of jobless was up to just over 1.3m representing 5.5 per cent.

By 1979, that figure had fallen slightly to just under 1.3m to give an unemployment rate of 5.3 per cent.

Since then, unemployment has risen steeply to 1.7m (6.8 per cent) in 1980, 2.5m (10.4 per cent) in 1981 and 2.9m (12.1 per cent) in 1982.

Figures since 1983 were affected by allowing some men over 60 to claim higher state benefits without signing on at an unemployment benefit office. Between March 1983, when the change was made in the budget, and August 1983, the estimated number of people affected was 162,000.

Nevertheless, the 1983 unemployment figures reached a new high of 3.1m (12.9 per cent) followed by 3.16m (13.1 per cent) in 1984 and 3.27m (13.5 per cent) in mid-1985.

More people are now remaining unemployed for long periods. Between July 1984 and July 1985, the number of long-term unemployed increased by 7 per cent while total unemployment increased by 5 per cent. In July last year, 800 000 people – 25 per cent of unemployed claimants – had been unemployed for more than two years.

Unemployment remains concentrated in the semi-skilled and unskilled manual groups. The British Social Attitudes Survey shows that more than half of unemployed people looking for paid work would be prepared to do some retraining to get work. A quarter were willing to move.

US health group to relaunch business

By Lisa Wood

MUTUAL OF OMAHA, one of the world's largest insurance companies, is to relaunch its private medical insurance business in the UK.

The new venture, called Health First, is understood to involve an investment of about £80m over five years with a budget of several million this year to market the business.

Mr Derry Andrews, managing director of Health First, said yesterday that within five years he intended to displace Private Patients Plan (PPP) as the second-biggest private health insurer in Britain and be a strong competitor to Bupa, Britain's biggest business in the sector.

British private health insurance, estimated to cover about 5m people paying a total of £450m in premiums, is dominated by the non-profit provident associations such as Bupa but recently commercial insurers have challenged this position. Such contenders include Mutual of Omaha, Allied Medical Insurance and Crusader.

Mutual of Omaha has been represented in the UK private health insurance market for some time but its share was negligible when last year it announced it was relaunching its business.

Mr Andrews, in announcing the new insurance packages yesterday, said: "My company intends to expand the existing market for private medical insurance. Some of the benefits are based on existing cover but others go further into general accident and disability income."

He said Mutual was also investigating benefits covering retirement, psychiatry and dentistry

● Burroughs Wellcome, US subsidiary of the Wellcome Foundation, is to lose its head of research to the rival UK drug group Glaxo. In a move described by Wellcome as "fairly sudden," Dr Pedro Cuatrecasas, 49, is to join Glaxo in the US on February 1, writes Tony Jackson.

Glaxo's appointment of Dr Cuatrecasas is an early step in building up a research presence in the US.

CBI predicts increase of 460,000 jobs

BY HAZEL DUFFY

A POSSIBLE 460,000 increase in jobs during 1986 and 1987 was predicted yesterday by the Confederation of British Industry (CBI).

This amounts to a 1 per cent growth in employment in each of the two years. It would arise from the forecast 3 per cent growth in gross domestic product, of which 2 per cent would be accounted for by productivity.

Sir Terence Beckett, director general of the CBI, told a meeting of the National Economic Development Council that he was concerned about the increase in unfilled vacancies around the country. He hoped that employers would take on people wherever possible and not be too exacting in their demands.

Sir Terence said he wanted to see a reduction in overtime and expressed a willingness to participate in a study of the subject. He said unit labour costs, although showing an improvement in historical terms, were still too high in relation to those of international competitors.

Council members discussed a paper by Sir John Cassells, director general of the National Economic Development Office, on a programme for new jobs. Mr Norman Willis, general secretary of the Trades Union Congress, said he was less than enthusiastic about the paper which could be interpreted as putting too much emphasis on the issue of pay.

Mr Willis drew attention to the "monstrous pay increases" being awarded in the City of London, which he said made it more difficult for unions to come together with employers to discuss wider issues.

Premiums rise at General Accident Group

By Eric Short

GENERAL ACCIDENT Group (GA), one of Britain's leading motor insurers, is putting up its motor insurance premiums rates from the beginning of next month, only three months after making its previous rate revision.

Rates on comprehensive motor policies are being raised by an average of 7 per cent, while non-comprehensive policies get a 5 per cent increase. Rates for motorcycles go up by 7 per cent.

This follows premiums increases of 8.2 per cent on comprehensive policies and 4 per cent on non-comprehensive made in October last year.

Motorists renewing their insurance with GA next month will find that their premiums will have risen on average nearly 16 per cent as a result of these two increases.

This latest move confirms the present poor state of the UK motor insurance market. Claims numbers have been rising steadily since the end of 1984, with companies unable to pinpoint a specific reason for the rise. Now one motorist in five has an accident in a year, compared with a frequency of one in six 18 months ago.

In addition, car theft claims have risen steadily in line with the general rise in thefts nationwide, while the average cost of repairs has risen faster than inflation.

APPOINTMENTS

Barry-Wehmiller restructures

After the acquisition of Dawson bottling equipment division of Vickers, BARRY-WEHMILLER has restructured its management. Mr **Michael G. Ashton** has become finance director of the Barry-Wehmiller European Group. Before this appointment, Mr Ashton was commercial director of Vickers-Dawson. Mr **Barry J. Turner**, formerly marketing and planning director of Vickers-Dawson, has been appointed managing director of Dawson.

Mr **Will Hobhouse** has become managing director of TIE RACK. He joined Tie Rack in 1984 from Argyll Foods, where he was on the board of Cordon Bleu, with responsibility for operations.

On the transfer of the trade of Three Quays Underwriting Management from the Swedgwick Group to CATER ALLEN HOLDINGS, the following have been appointed directors of Three Quays Underwriting Management: **Mr J. M. Gordon, Mr D. J. White, Mr R. D. Hazell, Mr D. B. Johnston, Mr R. J. Edwards** and **Mr D. G. L. Hunt**.

Mr **T. R. Usher** has retired as chief general manager of NATIONAL EMPLOYERS' MUTUAL GENERAL INSURANCE ASSOCIATION. He is succeeded by the deputy chief general manager, **Mr S. E. Hallowell**.

Mr **David Dukes** has been appointed managing director of ROSSFISH. He was finance director of Ross Foods and Young's Seafoods. He succeeds **Mr George Foster**, who has retired.

Mr **Brian H. Fidler** has been appointed to the board of CHRISTIAN SALVESEN as group finance director.

Mr **Paul Cammies**, director of project finance (and formerly Southwark Borough Treasurer) and **Mrs H. Roskott** and **Mr Guy Ormiston**, both assistant directors, have been appointed directors of FULTON PREBON STERLING, the sterling money-broking subsidiary of International City Holdings.

THE DEE CORPORATION has made several board changes: **Mr Kevin O'Keeffe** will be responsible for business development in the US and will live in New York, where a small office is being established. **Mr Tony Butler** will become planning and business development director. He will retain the responsibility of finance director until the end of the company's financial year. **Mr Alan Perelman** has been appointed finance director designate. **Mr Peter Stubbs**, special projects director, will also become chairman of F. A. WELLWORTH in place of Mr O'Keeffe. **Mr David Fisher**, managing director of Carrefour, and **Mr Peter Thistleton**, managing director of Gateway Foodmarkets, have been appointed to the Dee board.

Mr Neil Partridge has been appointed a director of VIBROPLANT.

Mr Jack Nutter has joined the board of WOLSTENHOLME RINK as a non-executive director. He is a deputy chairman of Rowntree Mackintosh and chairman of Bootham Engineers.

WHITWORTH'S FOOD GROUP has appointed **Mr Frank Bradshaw** as general manager for Whitworth's Produce (Ramsey), formerly B-Paks (Hunts). **Mr Peter Cocks**, divisional director of Whitworth's potato pre-packing, distribution and merchanting operations at Darlington and Scawby, is to take additional responsibility for Pembroke potato import and export trade and the development of a potato seed business. He will also act as Whitworth's representative on the various potato trade boards.

ULSTER INVESTMENT BANK has appointed **Mr Noel Ryan**, the bank's company secretary since 1976, to the board. **Mr Richard Vaughan**, head of foreign exchange dealing, and **Mrs Iris Belshaw**, head of personnel, have both been appointed assistant directors.

Mr Peter Lockton has been appointed managing director of NEI PROJECTS, NEI's engineering and contracting company based in Gateshead. He was previously managing director of NEI International, NEI's overseas marketing company. **Mr Neville Mallinson** has been appointed managing director of NEI International based in London. He was previously marketing director, international and projects group.

Mr Jack Green, development and technical manager, CRITTALL WINDOWS, has been appointed to the board as contracts director.

COLE GROUP has appointed **Mr L. A. Squires** as sales director of its subsidiary company, Plastic Products.

HALL AND TAWSE CONSTRUCTION has been launched with **Mr Bill Hendry, Mr James Guthrie** and **Mr Norman Johnston** as chairman, deputy chairman and managing director respectively. Mr Hendry is former managing director of William Tawse. Mr Guthrie was managing director of Alexander Hall and Son (Builders). Mr Johnston was formerly managing director of Reema Construction. Hall and Tawse has been formed by the integration of Alexander Hall, Tawse, Reema and Aberdeen builders, Hall and Robertson.

Mr Dermot Jenkinson has been appointed to the board of JOHN MENZIES.

THOMSON NORTH SEA has appointed **Mr Joe Rumble** as managing director. He joined in 1976 and previously held positions as commercial director and deputy managing director. He succeeds **Mr Joe Darby**, who has become chairman and chief executive. The previous chairman, **Mr Rab Suttill**, who has been with the group since 1974, is to remain on the board.

Mr Tom C Meiklejohn has been appointed managing director of BRUSWICK NL. He was with Esso as mine manager of Harbour Lights Gold Mine.

Mr Richard Staniland has been appointed a director of CLARKE SECURITIES, parent company of the Clarke Group. He joined as group solicitor in 1978 and became group secretary in 1979.

Professor W. W. McBride Brown, group chief executive, and **Mr L. H. J. Cook**, a non-executive director, have been appointed joint deputy chairmen of ROBERTSON RESEARCH from April 1, each with special responsibilities. Professor Brown will retire as group chief executive on March 31, and will be succeeded by his deputy, **Dr H. R. Bichan. Mr Michael Plant**, a petroleum engineer, has been appointed a non-executive director.

Mr Jarek W. Bielous has been appointed managing director of CEMENTATION INTERNATIONAL ENGINEERING and of THE ENGINEERING SERVICES, both Trafalgar House Group companies. Mr Bielous remains director of engineering and technical services for Cementation International, the overseas building and civil engineering arm of the group.

KINGABY SIMMONS has appointed **Mr J.A. Gill** and **Mr J.R.P. Holiday** directors.

ATLANTIC RESOURCES has appointed **Mr Emmet K. Brown** to the board as exploration director. He was previously exploration manager.

Mr David Brown has been appointed a non-executive director of THOMAS WARRINGTON AND SONS. He was previously managing director of Doulton Engineering group.

Mr Malcolm Hepworth has been promoted to operations director of GATEWAY FOODMARKETS. **Mr John Toal**, who was operations director, has become special projects director.

Viscount Boyd of Merton, a deputy chairman of Guinness, has been elected president of the COUNCIL OF BRITISH EXECUTIVE SERVICE OVERSEAS (BESO). He succeeds **Lord Erroll of Hale**, president since BESO was founded.

Mr Ivor Thompson, deputy chairman and chief executive of the Turner & Newall subsidiary BIP CHEMICALS since 1976, will be retiring on January 31. **Dr Amar Sabberwal** has been appointed managing director of BIP Chemicals from February 1. He is managing director of T&N Materials Research, the central research and development unit of the T&N Group, and will remain a director of that company. Dr Sabberwal will be succeeded as managing director of T&N Materials Research by **Dr John Crabtree**, a director of that company.

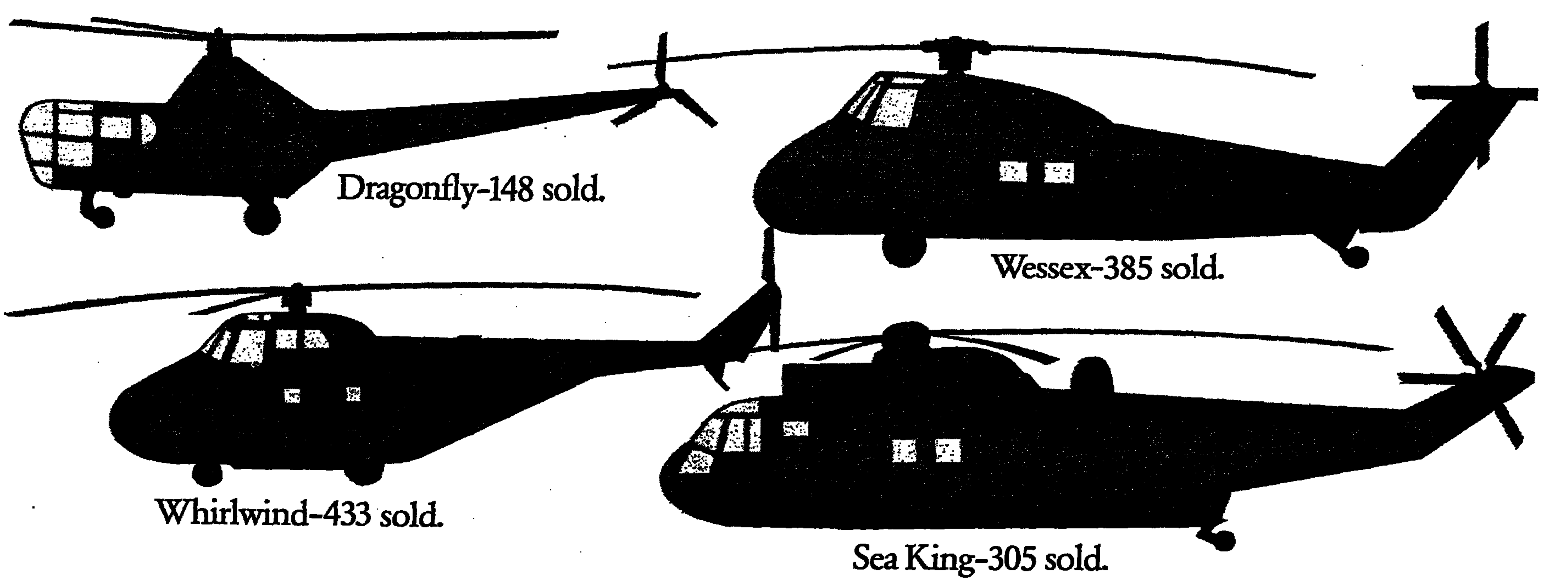
The inaugural board of REGISTRY TRUST, a non-profit company limited buy guarantee, which has responsibility for administering the Registry of County Court Judgments, is composed as follows: **Mr Malcolm Hurlston** (chairman), 'A' directors representing end users: **Mr D. Cavell, Mr K.W.G. Cherrett, Mr V.R. Ware, Mr K.M. Whitaker** and **Mr T.J.B. Wrigley**; 'B' directors representing purchasers: **Mr B.W. Bailey, Mr J. Dawson, Mr J. Peace** and **Mr R.A. Stokes**. The secretary and chief executive is **Mr P. Mudge**.

Mr David Rivett has been appointed by FITCH & COMPANY DESIGN CONSULTANTS as development director.

EVANS OF LEEDS has made the following appointments at its subsidiaries: **Mrs P.E. Horsbrough** and **Mr J. Thistlewaite** have been appointed to the board of F.R. EVANS (ADMINISTRATION); **Mr P.A. Turner** and **Mr P.L. Holley** have become directors of F.R. EVANS (LEEDS), while **Mr T.L. Parrish** has joined the board of REDVERS INVESTMENT.

Mr W. Kenneth Evans has been appointed a director of J. F. CHOWN & COMPANY.

The new director general of the BRITISH PROPERTY FEDERATION, after the retirement at the end of 1985 of Sir Donald Tebbit, is **Sir Peregrine Rhodes**. Sir Peregrine was until May 1985 ambassador in Athens.



We've been building helicopters with Sikorsky for 38 years.

We need this partnership, not just the money, to get us off the ground.

We've studied the European Consortium's new proposals very carefully.

But frankly, their offer is only marginally changed and, in financial terms, still very similar to that of Sikorsky and Fiat.

The fundamental reasons which led the Board strongly to recommend you to back Sikorsky and Fiat remain valid.

Our partnership with Sikorsky is tried and tested.

With Fiat, it will open up new opportunities for Westland which outweigh any the European Consortium can offer.

If we were to offer both alternatives to the vote, as some shareholders ask, there's a real danger that neither would get the mandatory 75% majority, and we could end up with neither.

The situation is far too urgent to risk this.

We need a quick and decisive solution.

The one which your Board arrived at after months of exhaustive analysis and tough negotiating:

Accept the proposals from Sikorsky and Fiat without delay. This is our firm recommendation.

If you have any difficulty in completing and/or returning your proxy card in time, we invite you to phone us between 10am and 8pm daily.

The number is 01-583 1398.

To be valid, your proxy must be received this week.

FOR USE BY WESTLAND SHAREHOLDERS ONLY.

Please return the coupon to The Registrar, Westland plc, National Westminster Bank PLC, Registrar's Department, P.O. Box 82, 37 Broad Street, Bristol BS99 7YA.

Form of Proxy for use at the Extraordinary General Meeting of Westland plc ("the Company") to be held on Tuesday, 14th January, 1986.

I/We the undersigned being (a) member(s) of the Company, hereby appoint the Chairman of the Meeting or (see note 1) ______________________

____

as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company convened for 10.30 a.m. on 14th January, 1986 and at any adjournment thereof.

I/We direct that my/our vote(s) be cast on the resolutions referred to in the Notice of Meeting as indicated by an X as shown opposite and on any other resolution in such manner as my/our proxy thinks fit.

Date ______________________

Please complete in BLOCK CAPITALS.

Signature(s) ______________________

Name(s) in full ______________________

Address(es) ______________________

____

RESOLUTIONS:	FOR	AGAINST
Number 1: Ordinary Resolution		
Number 2: Special Resolution		
Number 3: Special Resolution		

Notes

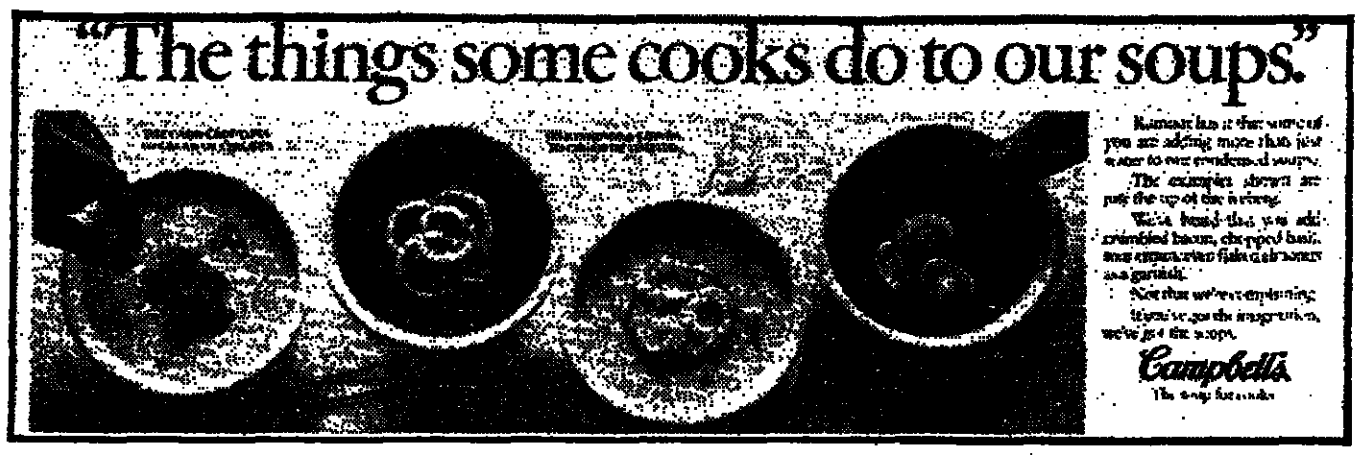
1. If you wish to appoint any other person as your proxy, who need not be a Member of the Company, please delete the words "the Chairman of the Meeting or," and insert the name and address of your proxy.
2. Please indicate how you wish the proxy to vote in respect of the resolutions. If no indication is given, the proxy will have discretion as to whether and how to vote.
3. To be valid this proxy form when completed (with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be lodged with the Company's Registrar, National Westminster Bank PLC, Registrar's Department, P.O. Box 82, 37 Broad Street, Bristol BS99 7YA, not later than 48 hours before the time fixed for the meeting or adjourned meeting.
4. In the case of a corporation, this proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer.
5. In the case of joint holders, the vote of the senior holder that tenders a vote will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register, but the names of all holders must be shown.
6. Any alteration to this proxy form should be initialled.

WESTLAND

THIS ADVERTISEMENT HAS BEEN PUBLISHED BY LAZARD BROTHERS & CO., LIMITED ON BEHALF OF WESTLAND PLC.

MANAGEMENT Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ



Saatchi & Saatchi's prize-wining ad campaign is directed at recipe enthusiasts

A tinned coup from Campbell's

CAMPBELL'S KINGDOM may be vast, and its British subsidiary may account for nothing more than a tiny speck on the map, but the top men in Philadelphia have recently been more than usually attentive to the affairs of their soup and meatball business in faraway Kings Lynn, Norfolk.

Raymond Monbiot, chairman of Campbell UK, has pulled off something of a coup, winning the group's top in-house marketing award for his efforts to stir some spice into the insipid British soup market. This company, with annual sales of about $70m against the group total of $4.4bn, has taken the annual David Ogilvy Marketing Excellence Award outside the US for the first time.

Instituted more than 10 years ago by Ogilvy, the grand Panjandrum of advertising, who still judges entries from Campbell Soup's 50 subsidiaries around the world, the trophy was shared this year with the Prego spaghetti sauce company in the US. But Monbiot is unabashed. "Prego has an advertising budget of about $40m a year and we have only £1m," he says cheerily.

He has won his gong and group-wide attention with a campaign which has firmly re-established Campbell's at the top end of the competitive British soup market after many years of steady decline.

Clearly a man who recognises when he has a tactical advantage, he is scheduled to visit Philadelphia later this month to present what he calls his "development master plan" to the main board, and ask for "a slug of capital."

Heinz still rules supreme in the UK soup market, with more than a 50 per cent share, and spends an estimated £5m a year on promotion, according to Monbiot. But Campbell's claims to have increased its market share by 30 per cent since Monbiot took control in November 1982.

Campbell's ,which had—and retains—an 80 per cent share of the US canned soup trade, came to Britain 27 years ago with an aggressive American-style advertising campaign for its innovative condensed varieties. Early rapid growth gave the company a peak 17 per cent share of the market in the seventies. But it began losing ground to changing eating patterns and the might of Heinz. It also suffered from the success of improved packet soups and, more recently, of "instant" products.

The succession of American executives sent to sort out the difficulties failed to turn the sales graph upwards and Philadelphia was persuaded that perhaps a native might have more success. "Our systems, disciplines and low-cost production facilities all come from America. But you can't expect a US manager on a two-year assignment to understand the British market," Monbiot says.

Faced with a market share which had slumped to 11 per cent, Monbiot and his British team found the answer in the kitchens of Surrey. He well remembers attending a 3.5 hour group consumer interview accompanied by a psychologist from the London School of Economics and 34 Guildford housewives. "We listened, and watched the way the crowd was running, and literally pulled our marketing out of their heads," he says, with no apology for the tortured metaphors.

Almost immediately Saatchi & Saatchi, the big UK advertising agency, was commissioned to develop a "Soup for Cooks" campaign in which the company's products were presented as highly flexible ingredients, to be used as pour-on sauces, a medium for cooking other meat of fish dishes and, of course, as soup.

Costs were kept down by restricting advertisements to colour magazines. "People need to dwell on recipes, so TV was no good for us," Monbiot says. The consumers responded, and Campbell's now claims that its share of the overall canned soup market has risen to 14.5 per cent. Now in its third year, the campaign is still running.

Monbiot will reveal nothing of the business development plan he hopes to get approved in the US later this month, but his success to date should weigh heavily in his favour.

Despite its size and success — Campbell Soup is ranked 107th in Fortune magazine's league of the biggest industrial companies in the US — the company so far has been curiously conservative in its approach to the UK and other European markets.

In Britain almost 80 per cent of turnover still comes from traditional lines in flat markets such as soup and meatballs.

Strict central controls over marketing expenditure, instituted in the last few years after a costly orgy of new product launches in the US, do not allow for extravagance.

In addition to Prego, the company is also building up its Unger Meats business, spreading distribution of its products into the retail sector from its base in catering.

Perhaps the most interesting innovation under the Manbiot regime has been a venture into chilled, short shelf-life salads and dishes of the type pioneered under their own labels by retail multiples such as Marks and Spencer.

Monbiot admits there is still a question mark over this venture. Distribution is complex. "The difficulty is how to get branded products into the market when retailers have done it under their own labels," he says.

Other markets will clearly have to be developed if the UK business is to grow. The group prides itself on being a "pure" food company and diversifications outside the sector seem unlikely.

With the odd exception like Prego sauces, many of the group's most successful products in the US are unsuited to the UK market. The famous Pepperidge Farm cookies, for example, are considered too costly to sell successfully in Britain. A frozen dinner of the type sold under the Le Menu label in the US would cost up to £5.

Finding successful new products is a tricky and expensive job, a task almost as delicate and fraught as winkling out the sort of company the group wants to acquire in order to fuel its expansion in Britain and on the Continent.

Campbell Soup is inordinately jealous of its twin triple-A financial ratings in the US and its natural conservatism mitigates against its joining in the super-aggressive takeover battles common in the US. "We want mergers which can be negotiated quietly . . . and which do not dilute the equity," says the hopeful Monbiot.

Christopher Parkes

US arts sponsorship

Modern Medicis

Frank Lipsius examines how companies are seeking 'more bang for their buck'

PRESIDENT REAGAN once described his administration's limited arts policy as "doing everything we can to encourage growing private support for the arts." He has been true to his word. Direct Government subsidy through the National Endowment for the Arts was cut from $159m in 1981 to $143m in 1982, before Congress restored the endowment's budget to $166m in 1986, after several years of inflation.

Throwing the burden onto the private sector had its intended effect, with business increasing its arts contributions to $600m in 1984 from $506m in 1982, according to the Business Committee for the Arts, a New York organisation founded in the late 1960s to encourage the Medici-instinct among American business leaders. But with the increased responsibility, business leaders also want more credit for their largesse. "They want more bang for their buck," says David Resnicow, senior vice president of Arts & Communications Counselors, a private public-relations company that advises corporations on how to tie arts donations to corporate marketing and advertising—and is increasingly hired by museums to attract corporate sponsors.

Instead of giving unrestricted gifts, corporations now have special cultural officers in their marketing and public relations departments to co-ordinate munificence with general corporate marketing and public relations objectives. At Philip Morris, the tobacco and packaged goods conglomerate, the manager of cultural affairs, Stephanie French, is one of a group of five within the four-dozen strong corporate affairs office. Susan Bloom, vice-president for cultural affairs at American Express, works in the 10-strong public relations office.

In direct grants, American Express is giving $14m to the arts in 1986 with 40 major activities and 60 local ones. The company is also leading the way in "cause-related marketing," the latest idea to make corporate largesse profitable, or at least get clients to chip in as part of a company's gift-giving. In the town of Peoria, Illinois, American Express gave away tickets for an exhibition of Grandma Moses paintings to people who bought travellers' cheques. The sponsorship helped generate a record-breaking attendance.

In London last year, the company used its card-holders' magazine to offer tickets to a concert by the Preservation Hall Jazz Band concert during the American Festival. The offer sold out the house, with 4,000 seats booked on American Express cards. Though meant originally as a good-will gesture

Flying high: Alvin Alley's American Dance Theater is heavily sponsored by Philip Morris

it was such a success that the marketing arm of American Express is bringing the band back to London next summer for profit.

The company is actively promoting the new Fort Lauderdale Museum because it is in a community where 4,000 American Express workers process credit-card transactions. To help raise $½m for the museum, American Express is giving free passes to people who charge meals at 17 local restaurants on their American Express cards.

Among people who carry multiple credit cards, such tie-ins are the most effective way to encourage use of the American Express card, from which the company makes much of its money.

In sponsoring specific exhibitions, companies are able to court a city's elite. David Resnicow has built a clientele of two dozen companies with the notion that "supporting the arts gives access to a community's opinion leaders, the movers and shakers. The board of any institution—opera, ballet, the symphony—are the local civic and political leaders who shape a community. You buy direct contact with these people." The sponsors can gain additional advantage from organising the once sedate and dignified meals which museums throw for a show's donors.

For Stephanie French at Philip Morris, the company's acquisition spree in recent years (including Miller Beer, 7-Up and, most recently, General Foods) has widened the scope of its cultural programme to include events in a dozen "plant communities," such as St Louis, Milwaukee, Richmond, and Louisville. As part of its annual sponsorship of exhibitions and performances, Philip Morris has, for instance, given $300,000 for the Alvin Ailey Dance Company, and $150,000 in the fifth year of support for the Joffrey Ballet's dance season. The direct grants come from a fund representing a fixed but undisclosed percentage of the company's profits.

Philip Morris supplements the grants with an equal expenditure in advertising and marketing that is incorporated into the budgets of those divisions. It uses the slogan, "It takes art to make a company great."

At Arts and Communications Counselors, a division of the large Ruder Finn and Rotman public-relations concern, David Resnicow reckons that the Business Committee for the Arts' $600m estimate of corporate donations is only about a third of the real cost of corporate arts support, if advertising, marketing and salaries are taken into account. Judy Jedlicka of the BCA acknowledges as much, saying that the next survey of corporate arts donations will take into account the advertising and marketing back-up, which she calls "the revolution in corporate America's arts support."

According to Resnicow, the real impact of the Reagan cutback on Government arts support has not been on the company but the museums, which once fought shy of active co-operation with the business world. The debate rages between the populists and the purists who, in Resnicow's words, "still think of a museum as a religious experience." He says he aims to "get the arts off the arts page and have them treated as seriously in the Press as sports and consumerism."

The tension helps maintain restraint—both Susan Bloom and Stephanie French insist they do not interfere with museums' curatorial functions.

Henry Young, who directs an active corporate sponsorship programme at the Guthrie Theatre in Minneapolis, cautions that the arts institutions themselves must also show restraint. "It would be the easiest thing in the world to let a company put up a lot of money to get its name as a sponsor of a production. But I insist on their supporting the back of the house with a smaller general contribution before letting them take over a high-visibility spot."

Time, Inc., which started a corporate affairs division in response to the Reagan policies, takes a more interventionist approach. Sports Illustrated, one of the stable of Time-Life magazine, commissioned a sculpture of the boxer Joe Louis to give to his home town of Detroit. Zach Morfogen, who runs Time's cultural affairs activities, is arranging for People Magazine to organise a photo show to coincide with a ballet competition in Mississippi. He is also organising Life Magazine's participation in a production of Philip Barry's play, Philadelphia Story, at the Arena Stage in Washington while an exhibition sponsored by Time, Hollywood: Legend and Reality, is at the Smithsonian Institution there.

Perhaps not surprisingly, its rival Newsweek recently ran a long story on the dangers which lurk in active corporate support of the arts. This argument has lost some persuasiveness since the Reagan administration slashed its own support.

TECHNOLOGY

The Copy-Jack, on sale in Japan for £200

A handy little photocopier

A HELD-HELD battery-powered photocopier has been developed by the Japanese company, Plus, designed for the office and student markets. The "Copy-Jack" is about the size of a large shaver (172 mm long and 71 mm wide) and contains a 33 foot long roll of heat sensitive paper and a charged couple device sensor flat scanning reader. The paper used is 40 mm wide, equivalent to a column-width in a Japanese newspaper.

The user positions the flat reading head of the unit flush against the material to be copied and, holding the end of the paper roll steady with one finger, moves the unit forwards in brush-stroke fashion at a speed of 1 cm/sec. The quality of the copy obtained is 7.6 dots per mm, and even small Chinese characters in newsprint can be reproduced clearly. The engineer who developed the Copy-Jack, Mr Yasuyuki Tsuruhami, says the main working principles of the device were taken from a previous Plus product, the Boardfax, which allows direct facsimile transmission of information written on a blackboard. He said: "There is nothing technically new in the Copy-Jack except the miniaturisation."

Mr Tsuruhami said the hand-held copier took three years to develop and reflected one of the company's policies "to 'electronicise' office and stationery products. We are an electronic stationery maker."

Plus is considering adding a communications facility so that copies made could be transferred directly to another office site, and Mr Tsuruhami suggests that since in the current unit the paper roll occupies much space in the overall device a "very small unit could be developed for use solely as a transmitter," while using the same basic design concept as the Copy-Jack. Plus has not entered this field yet, however, as there is insufficient demand in the Japanese market.

The unit is priced at Y58,000, (£200) which compares well with the price of a conventional copier of around Y1m.

Plus has already sold 50,000 units of the device since August and expects to exceed the first year target of 100,000 unit sales. An export version is under consideration.

ROY GARNER

Lasers on a different wavelength

Geoffrey Charlish on a discovery of potential importance for optical fibre data transmission

A TEAM at Southampton University has found a way of turning lengths of the latest optical fibre into lasers by adding controlled amounts of dopants (impurities) into the glass.

Although doped glass fibre lasers appeared over 10 years ago, the Southampton devices are among the first monomode (single wavelength), continuously operating, tunable lasers that produce outputs to match those now used in optical fibre telecommunications systems. Bell Laboratories and Japanese teams are known to be conducting similar research.

The development is potentially important since it could allow laser amplifiers to be incorporated easily into optical fibre data transmission systems. It could simplify present systems in which the light pulse signals have to be turned back into their electrical equivalent, amplified and then converted to light again.

The fibre device is similar in some ways to solid state lasers using, say, a rod of ruby. But these conventional types have to be optically straight and rigid and the material is expensive. Accurately constructed and positioned mirrors are needed at each end of the rod. These systems can be affected by dust, vibration and other environmental conditions, may require large and expensive power supplies and can have a limited operating life.

In contrast, the Southampton devices have both pumping and laser action contained within the diameter of the fibre so that most of the problems are overcome.

The new lasers are also flexible, which means that they pose fewer problems mechanically — they can be wound round the finger without affecting operation and a length can be housed in a very small volume.

In the conventional laser, light is "pumped" radially into the ruby rod through the curved surfaces using powerful light sources. The ruby atoms lase, that is they give out more light than they receive, and light power is built up in the rod by multiple reflections from mirrors at the ends, one of which is half-silvered to allow the high intensity beam thus generated to escape.

In the Southampton device, a semiconductor light emitter is used at one end of the fibre length, pumping the device longitudinally instead of radially. This is more efficient, says Mr David Payne, a member of the research team, since all the light enters the fibre, which is not the case with radial pumping.

One of the achievements of the team, led by Professor W. A. Gambling, is a particularly low minimum pumping power of 300 microwatts (millionths of a watt), allowing tiny semiconductor diode laser to be used as the pump.

At the diode end, a dichroic mirror is used. This allows the pump diode light wavelength through into the fibre, but acts as a reflector for the different, lasing wavelength.

The fibre is able to lase over quite a wide waveband. It can be tuned to a specific wavelength by using a tiny diffraction grating. Alteration of the angle the grating makes with the beam alters the wavelength that is reflected, so that the laser will operate at that wavelength only. Light can be removed from the system using a 45 degree half-silvered mirror. Work is in progress on perfecting such a system at Southampton.

To develop the laser, the team has flown in the face of conventional optical fibre fabrication, where the objective is to remove impurities from the glass to reduce loss to a minimum.

Looking down a fibre, say a yard long, is like looking through about 250 window panes, one behind the other so the glass must be as transparent as possible.

The researchers found that by adding traces of rare earth elements (neodymium, terbium, erbium, europium) to the glass during monomode fibre manufacture, laser action became possible, with relatively low light inputs, in certain "windows" or wavelengths of light. At those wavelengths the transparency of the glass is unaffected while the added atoms are made to lase.

The university, and its associated company, York Technology, set up to exploit the work, has developed a simple reproducible fibre fabrication technique which allows the incorporation of uniformly low levels of rare earth atoms into the core of various types of optical fibre.

Dr Payne estimates it will be between six months and a year before trial products based on the work wil become available.

The work has been carried out under Joers (joint opto-electronics research scheme) which is funded by the Department of Industry. Other Joers organisations include British Telecom, Standard Telecommunications Laboratories and GEC and there is a requirement to cross-report the research work. York Technology would receive royalties from any of its patents utilised by the other companies, which Dr Payne believes will be in the best position to exploit the large scale telecoms markets that could arise for such products.

But there will be other applications. For example, the lasing fibre can be pumped remotely down any convenient length of connecting fibre. The laser can then be used as a sensor, since its action can be made to respond to, say, changes of temperature. York Technology plans to exploit such techniques commercially.

Computers in a new mould

ENGINEERS AT the Rubber and Plastics Research Association in Shawbury, near Shrewsbury, are turning to computer techniques in the search for new methods to mould rubber.

Under a two-year programme, the researchers will work on the software needed to simulate with computers the flow of elastomers during injection moulding. This should help workers to decide on new shapes for dies before fashioning the parts.

In other research at the association, engineers will work on new types of machine for plastics extrusion and attempt to improve on techniques for processing polymers. They are also to study novel types of catalysts and wetting agents used in plastics manufacture.

The work is part of a £1.2m research package.

Signal way to gauge pressure

A NEW type of gauge for measuring vacuum pressure is available from Scanwel, based in Bala, Gwynedd.

The instrument sends a radio signal through a chamber and measures its change of frequency. A computer translates this figure into an indication of vacuum pressure.

Call for more US spending on chemistry research

THE US should spend substantially more on basic research in chemistry to safeguard the long-term future of industries such as materials, pharmaceuticals and power generation.

That is the conclusion of a 344-page report from the US National Academy of Sciences which highlights the way that advances in several key chemical areas can influence new products and processes in industry.

It says scientists in industrial laboratories rely on work in universities and other research institutes. The research expands on theoretical concepts and thus makes possible commercial activities of the future.

In 1983, the US chemical industry spent some $20m supporting university research, out of a total budget for fundamental research of some $380m. Chemicals companies in the US have total annual sales of about $175bn and employ 86,000 scientists, 1,700 of them PhDs.

Federal funds for chemistry research stood at $349m in 1983, provided by such bodies as the National Science Foundation, the Energy Department, the Defence Department and the National Institutes of Health. The figure increased by 11 per cent (in real terms) over the 10 years to 1983, compared with increases of 20 per cent for physics research and 44 per cent for activities in astronomy.

In the same time, says the report, the sales of the chemistry-based oil, coal and chemical industries more than doubled. Moreover, these industries are faced with a range of opportunities to move into new areas or enhance existing activities as a result of advances in theoretical concepts in chemistry.

The report suggests that individual government bodies should increase funds for chemistry research to keep up with these trends. For instance, the National Science Foundation, which provided $126m for chemistry research in 1984, should step up its support for the science by 25 per cent a year from 1987 to 1989.

According to the national academy, research should focus on several priority areas that have long-term relevance to industry:

Understanding chemical reactivity. With new instruments and analytical techniques, scientists can follow chemical reactions more closely than before. Devices such as laser spectrometers provide information about extremely short-lived chemical species which appear in the course of a reaction.

With knowledge of reaction paths, chemists can prepare new types of substances, which have properties tailored to specific applications. For instance, the researchers can insert into the lattice structure of a material a series of atoms of other substances.

With such procedures, scientists may be able to synthesise polymers with structural properties approaching those of steel. They may also come up with novel electronic chemicals—such as optical fibres, superlattice materials and photoresists for chip production—of use in the semiconductor and information technology industries.

Chemical catalysis. Much of the oil and chemical business relies on catalysts for turning out a vast range of staple industrial products, plastics for instance. But how catalysts work is still poorly understood.

With new analytical methods to follow what happens during catalysis, scientists can tailor specific materials to speed up certain chemical reactions.

Life processes. Advances in genetic engineering, for instance the use of enzymes to cut up strands of DNA and other biological material, may provide new opportunities in medicine, food processing and other areas.

Increased knowledge of how proteins such as antibodies interact selectively with organic compounds such as are found naturally in the human body may provide the impetus for new product developments, in medical diagnostics for instance.

Environmental chemistry. With devices such as satellite sensors, researchers can analyse with great detail compounds present in the earth's atmosphere, shedding new light on pollution. They can also follow the interactions between the gases in the atmosphere and phenomena on the earth's surface—the growth of plants or soil movements for instance.

Chemical behaviour under extreme conditions. With measurement techniques such as X-ray and neutron diffraction (where machines observe in fine detail the consequences of transmitting radiation into chemicals) scientists can monitor reactions at extreme temperatures and pressures. This may provide information about how to make new types of materials under suitable conditions.

Opportunities in Chemistry, National Academy Press, 2101, Constitution Avenue, Washington DC 20418. $18.50.

PETER MARSH

THE ARTS

Galleries/William Packer
Of time and place

Detail from "The Royal Escape close-hauled in a breeze" (1675) by William van de Velde the Younger, one of the paintings on show at Sotheby's "Rule Britannia" exhibition (until January 29) to raise funds for the RNLI

The New Year season in the galleries is only now stuttering to life and will need a week or two to get up anything like a full head of steam. The salerooms would stay quiet much longer but for an instinctive dislike of empty walls and an admirable impulse to put them to good use. From tomorrow Christie's is host to the Contemporary Art Society, which for 75 years has been giving modern art to public collections and is celebrating that anniversary with its latest distribution of largesse. (Antony Thorncroft will review the show in his Saleroom column on Saturday.)

*

Andy Goldsworthy is a young sculptor whose work is, in the current jargon, site-specific in the sense that rather than being made for one special place, the place itself, by the natural materials it supplies and the creative possibilities it suggests is the determining stimulus. But where other artists of like bent take themselves into the wilderness where the idea that their interventions in the landscape are likely to blush and waste unseen is all part of the fun he would rather his work were reasonably accessible. Under the aegis of the Artangel Trust he has lately been at work on Hampstead Heath, and until January 25 he may be found by ringing 01-351 9164.

Even so modest an excursion, however, is not always possible and the problem of practical visibility can only be resolved by bringing something of the work, if necessarily in a documentary version, into the gallery. Such an exhibition now occupies the gallery space at Common Ground in Shelton Street, Covent Garden (until January 29). Several sculptures are shown: a small self-supporting slate arch, a large thick brushwood hoop, a fern snake on the wall that is now drooping prettily, and a line of pebbles that moves in natural colour from cold grey to a warm pink.

These things hold themselves well enough in the gallery, but the photographic work is more engaging—judicious and elegant images for themselves that are also effective evocations of the more general principal activity. The genre is overhung with the threat of affection and preciousness, the thin ice which Goldsworthy sometimes breaks to make his fugitive structures thin ice indeed, but his is a nice and distinctive touch informed by an open, almost innocent sensibility. A carved snow snake loops across the bare grass; a pile of stones stands at the water's edge like a shinto lantern; a flimsy structure of nettle stalks lies frozen rigid on the snow; lines drawn on the sands wait for the sun to come up and the tide to come in.

At the Barbican the Toki Festival reaches its mid-point and the change-over of three subsidiary shows. Keiko Hasegawa, in conjunction with Galerie 39, shows her recent Raku ceramics, and Rintaro Yagi, with the Locus Gallery, his latest marble carvings, for the most part horizontal slabs that might almost be weathered into natural forms. Both artists work in Europe, the potter in Devon, the sculptor in Italy. The third is a show of fine and sometimes spectacular photographs of the traditional gardens of the temples and palaces of Japan, with their pavilions and stepping stones, moss gardens and raked sand. The distance from them, by way of Yagi's slabs to Goldsworthy's Hampstead Heath, seems no distance at all (until January 26, February 1-6 and 26 respectively).

Theatrical costumes for sale

Theatre freaks will have a field day on March 9 when Phillips organises a sale of over 1,000 surplus costumes from the National Theatre's wardrobe. The auction, to be held in the Lyttleton theatre, will both raise money for the National Theatre Foundation and create some much needed space in the National's costume store beneath Waterloo Station.

Among the lots on offer will be John Gielgud's Prospero cloak from *The Tempest*; Maggie Smith's chiffon gown from *Othello*; and Joan Plowright's velvet gown from the Old Vic production of *The Three Sisters*. In addition there will be centurion costumes from *Julius Caesar*; ecclesiastical robes from *Edward II*; and tartan doublets from *Macbeth*.

Donizetti in New York
Andrew Porter

One of the happiest shows of the New York season has been the the Vineyard Opera Shop's production of Donizetti's comedy *Gianni di Parigi*—probably the first production of the opera since 1846. It was done on a tiny scale: a 99-seat theatre, and orchestra of four (piano, flute, clarinet, bassoon), a chorus of three. But resources were skilfully matched to requirements (the three-man representation of a long regal procession was an entertaining *tour de force*). The singing was carefully scaled to the space, and therefore had the effect that big voices have in a big house only when they are unforced.

"Above all there was the ecstasy of hearing a Donizetti masterpiece for the first time . . ."

Gianni was sung in Italian, and although the pronunciation was sometimes dreadful, every word was intelligible, and one had the pleasure of hearing a libretto unread in advance—a libretto by Felice Romani, the most graceful of all opera poets—vividly unfold. Above all, there was the ecstasy—the word is hardly too strong—of hearing a Donizetti masterpiece for the first time.

Gianni was composed for Rubini (who had already sung Moriacchi's setting of the libretto in Naples) as something to do on his benefit nights in Paris or London. It was written — circumstantial evidence suggests—immediately after *Anna Bolena*. Johnny from Paris is in fact the French Dauphin in disguise as a rich commoner; like Don Carlos in the first act of Verdi's opera, he has come to take an advance peek at his destined bride, the Princess of Navarre. She sees through his disguise at first glance but doesn't let on, plays along, and responds to Johnny's amorous advances. The Dauphin's consternation turns to general rejoicing when she reveals that she knew all along who he was.

The setting is a hostelry. The innkeeper is a jolly buffo, the Princess's seneschal is a fussy buffo, and there is an excellent comic duet for the pair. The innkeeper's daughter, the second soprano, flirts with Johnny's page, the mezzo role. More than anything, the opera recalls Rossini's *Le Comte Ory*; it has the same combination of merriment with refined musical working.

The Vineyard has done enjoyable Donizetti before: *Betly* and *Il Giovedì Grasso*. But *Gianni* reached a new level. Ilya Speranza, the Princess, spun roulades with delicate precision and shaped and timed phrases in a way that made one listen. Richard Slade, as Gianni, tackled the high Rubini tessitura without straining and sang gracefully. He wasn't much of an actor; but then neither was Rubini, who "rarely tried to act," according to Chorley; "the voice and the expression were with him to do it all." James Kurtz, the conductor, and Joseph LoSchiavo, the producer, had with the cast prepared an altogether stylish and captivating show. There were no cuts. One enjoyed Donizetti's carefully planned and balanced periods.

*

The night before I heard *Gianni*, I had been at a concert performance of *Anna Bolena* in Avery Fisher Hall, put on by what might be called the Sutherland-Bonynge travelling circus—or "opera" as Angelica Catalani's husband once defined it: *"Ma feme et quatre ou cinq poupées—voilà tout ce qu'il faut."* The best of the poupées was Cynthia Clarey, the Smeaton (a role Janet Baker once sang in New York): half of her first aria and all of her second had been cut. Two, four, eight, 30 bars were snicked out *en passant*, throughout the evening.

When Maria Callas restored *Anna Bolena* to the modern repertory, at La Scala in 1957, one did not mind too much about Gavazzeni's cuts; there was too much else to discover and marvel at. But since then—there have been many subsequent productions—we have got to know the piece. Most recently, Philip Gossett's splendid monograph on the opera (OUP) has enabled us to look over Donizetti's shoulder as he wrote it and see just how carefully he planned and composed it. This performance treated his craftsmanship with contempt.

Dame Joan had a public triumph (which television carried from coast to coast) and was applauded to the skies. At the age of 59 she retains plenty of voice and uncommon agility. The low notes, never strong, have faded, and she lifted by an octave several of the dramatic utterances for which earlier Annas were famous. The tone has become even more opaque. All the same, it was an impressive performance. But Judith Forst was a blowsy Jane. Jerry Hadley, once so promising, bawled a good deal of Percy's music, though he had a charming moment or two. Gregory Yurisich, an Australian bass-baritone, has a strong, grainy voice: he planted his feet and belted out Henry VIII's music at a monotonous forte. Bonynge's conduction was brisk and coarse.

"This concert performance of 'Anna Bolena' treated Donizetti's craftsmanship with contempt"

All in all, this *Anna* made the effect of a self-serving performance. In the Vineyard *Gianni*, on the other hand, the artists seemed intent on serving the composer, and they served him well.

PLG Young Artists/Purcell Room
Max Loppert

This year the annual Park Lane Group *Young Artists and 20th century Music* showcase continues the development first explored in 1985—that of presenting two concerts on each of the series' five evenings. At the earlier of Tuesday night's two, Jenny Miller, a young American mezzo already noted with Glyndebourne Touring Opera, was the first performer on stage.

Bravely tackling Milton Babbitt's interminable *Vision and Prayer* for voice and tape, she was able to indicate to her audience little more than bravery, determination, and a suitably wide vocal range. In Michael Berkeley's new *Père du doux repos*—a supple and finely moulded small stretch of poetic declamation—she seemed not wholly precise in her unfolding of the line, or else the combination of "furry" timbre and intermittent tremolo seemed to work against her best intentions. Four Ives songs (with Nancy Cooley at the piano) found out Miss Miller's happiest areas of natural artistry, which include understated good humour; but even here the need was again suggested for greater refinement of so promisingly full and ample a voice.

As a whole, this was not one of the PLG's most remarkable evenings of youthful revelation. Michael Whight, the clarinettist who appeared in both concerts, showed impressive technical competence in a handful of shorter pieces, notably the Michael Berkeley solo *Flighting* (it acts as a kind of instrumental fulfilment of the vocal solo) and the Three Pieces for clarinet and piano (Vanessa Latarche) of John McCabe, featured composer of the 1986 series. But each time one looked for a personal inflection, a moment of individual colouring or dramatic response—and in Martinu's touching late Sonatina the opportunities for such things proliferate—Mr Whight kept to his straight-and-narrow course, and one looked in vain.

The pianist John Lenahan, a previous PLG solo performer, appeared this year in a piano duo formed more recently with his wife Kathryn. They play together with studied finesse—so studied, with such rounded gentility and decorously shaped phrasing in Debussy's *Six Epigraphes antiques*, that the sharp edges and clear outlines of the musical invention were often in danger of blurring. The two-pianist version of *The Rite of Spring* leaves less room for gentility (though one or two insertions of "poetry" into quiet patches were unwarranted), and the Lenahans made a more mettled impression. But real Stravinskyan brilliance and excitement stayed obstinately out of reach.

Othello/Barbican
Michael Coveney

The RSC's Stratford-upon-Avon *Othello* of last September arrives at the Barbican in fine fettle, an exploding chamber treatment directed by Terry Hands in Ralph Koltai's large-scale box of black glossiness trimmed with neon lights that dilate and contract on moving screens with a sexual rosebud suggestiveness.

The lighting (by Mr Hands and Clive Morris) may not have the breathtaking sensuality you see in a Strehler or Vitez production, but it has sculptural qualities rare in British classical theatre. Note how Ben Kingsley's definitively Moorish soldier, padding barefoot in the dark in fine white desert robes, a scimitar at his waist, seems to materialise from the stage depths on his first entrance; how the doomed (and much improved) Desdemona of Niamh Cusack levitates on the marriage bed, or how the Cyprus revels are conducted in the guttering twilight of a day disrupted by violent electric storms.

Cassio (Tom Mannion) is here a victim of an emphatically macho drinking prank, the Emilia of Janet Dale a woman scorned in public who seizes a last chance with her husband in the handkerchief business, Penny Ryder's noisily disappointed Bianca a betrayed harbourside moll. These conditions of character emerge strongly in spite of (because of?) the abstractness of design and concentration on the performances.

Some commentators have detected a homosexual undertow in the playing of Othello and Iago, but I see only a sustained campaign of spite fuelled by Iago's resentment at the method of Cassio's preferment. After Kingsley's tremendous epileptic fit and his slump into a serene torpor, David Suchet cradles the head of beaded, straggling locks in his lap. It is a single stunning shaft of sympathetic vulnerability in the portrayal. Otherwise Iago retains his mysterious lack of motivation. Suchet avoids resolutely any hammy malevolence, unerringly hitting a tone of mockery or cruelty that blends with a plausible public face: a good example is the ironic manner in which he both blames Cassio for the brawl while piously conducting his defence.

"What charms, what conjurations?" asks Kingsley's Moor of the incensed Brabantio (Joseph O'Conor). He is a cultural alien, no question, but one who has recourse only to his life and experience, not to magic. The actor's gift for quietly swelling anger and contempt and the rich diapason of a voice that can clip meaning from a text as briskly as despatch it in a roar are fully released when chaos comes, as predicted, with a memorable farewell to the tranquil mind.

David Suchet (left) and Ben Kingsley

Alastair Muir

New ballets/Sadler's Wells
Clement Crisp

The cheers that rang out as I left Sadler's Wells on Tuesday night were richly deserved by the cracking performance of David Bintley's *Flowers of the Forest* which had ended the programme given by the Wells' half of the Royal Ballet. But they were also deserved and, I would venture, were intended, for an entire evening of choreography nurtured by the company. To the established figures of Mr Bintley and Michael Corder, whose *Wand of Youth* was excellently danced, we must add the newcomers Susan Crow and Graham Lustig, whose first choreographies for the troupe opened the bill.

Now able to call upon five creators—Jennifer Jackson is also a member of SWRB—we see here tremendous justification of company policies and identity, and the new works stress a significant economic fact about the encouragement of new talent.

I understand that Miss Crow and Mr Lustig were given the chance to stretch their wings with stringent financial conditions as well as a wisely limited time-scale. A budget of £1,000 each, a brief to be brief, placed the emphasis upon the essentials of making dances rather than the sort of modish rodomontade lately evident in another part of the organisation.

Thus Miss Crow's *Track and Field* concerns itself with sporting attitudes, finding in games and competition the fuel for a bright sequence of dances which make happy use of David Diamond's "Rounds for string orchestra." Design by Tim Shortall is imaginative and simple—the image of a runner on the back-cloth with the graph of a heart beat cutting across it—the costuming little more than leotards and abbreviated tunics for the four couples who are the cast.

The dance feeds from the attitudes of athleticism, sometimes suggesting the slowing down of action replays, or superimposing a repeating moment of triumph in layer upon layer of movement. The stage is well used; the dancers are well displayed; the invention is, perhaps, at moments constrained by literalism, but it is everywhere lively, intelligent, and speaks of a talent to be encouraged.

Mr Lustig's *Caught in Time* is rather more dense in its invention. Walter Leigh's neo-classic harpsichord concerto (music which each morning announces the opening of BBC Radio 3) has suggested to the choreographer "a garden maze filled with living statues." This idea is well studied in dances for five women and four men, their activities suddenly frozen into immobility, motion contrasted with motion suspended.

There is interesting design by Fiona Barclay, who places a gold wire shape at one side of the stage and dominates an otherwise simple grey back-drop with a gold-entwined cloud. (Black marks, though, to the programme, which tells us nothing about any of the designers whose work is seen during the evening). Mr Lustig establishes a sense of mystery and dream-like unreality in his ballet, but the dance is never portentous: it has energy and a shapeliness that tell again of talent, outstandingly in the way groups of dancers form, break and re-form.

In content, in performance—the SWRB artists are fine in the new works, as in the Bintley and Corder ballets, with the men splendidly high-flying in *Flowers of the Forest*, and *Wand of Youth's* cast beautifully subtle in style—and in testimony to creative vitality, the evening is of exceptional importance, and merits all its cheers.

'Frikzhan' for Soho Poly

Frikzhan by Marius Brill, which won the most promising section of the 1985 Texaco/National Youth Theatre Playwriting Competition opens at the Soho Poly on January 13.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Jan 3–Jan 9

Exhibitions

PARIS

The fame of Victor Hugo. To mark the 100th anniversary of the poet's death, some 1,000 documents - grand and less grand, including caricatures, posters, photographs, try to explain the extraordinary phenomenon of Hugo's glorification. Grand Palais, closed Tue. Ends Jan 6 (2615410) Petit Palais adds to Hugo's celebrations an exhibition Le Soleil d'Encre consisting of more than 300 of the artist's drawings and 200 manuscripts belonging to the Bibliothèque Nationale. Petit Palais, closed Mon (2651273).

Old and new: State acquisitions over the last five years. The 240 exhibits range from an Egyptian pleureuse dating from 1800 BC to contemporary artists and comprise paintings, sculpture, pieces of furniture and objects d'art. Among the chef-d'oeuvres there is Vermeer's Astronomer, Frans Hals' Jester Playing The Lute as well as works by Manet, Monet and Seurat. Lucas Cranach's Melancholy comes from a provincial museum. Grand Palais. Ends Feb 3 (42603926)

WEST GERMANY

Berlin, Nationalgalerie: Art from 1945 to 1985. With 500 works by 220 artists the Berlin National Museum will display an extensive exhibition of post war art. Ends Jan 12. anniversary of his death, the exhibition contains 90 paintings and 40 graphic illustrations. Ends Jan 12.

Berlin, Bauhaus-Archiv, Klingelhöferstrasse 14: Walter Gropius, "The Architect and Designer." An exhibition of paintings, constructions, designs and furniture by Gropius. Ends Feb 2.

ITALY

Florence: Museo di Storia della Scienza: A History of Spectacles. More than a hundred pairs of glasses from the Zeiss foundation (in E. Germany). This is the first time the collection has been shown publicly. Exhibition also includes engravings by Durer, Rembrandt and Japanese artists. Ends Jan 11.

Venice: Museo Correr (Ala Napoleonica): Folon: Over 200 works by the celebrated Belgian artist, among them 120 watercolours originally as illustrations to Apollinaire, Prevert, Boris Vian and others. A perverse but gentle painter with a seductive use of colour. Includes delightful watercolours of Venice. Ends Jan 19.

Milan: Palazzo Reale and Palazzo Bagatti Valsecchi: Edvard Munch (1863-1944): A large retrospective show by the Norwegian forerunner of the expressionists. An extraordinary conveyor of pain and anguish. Most of the paintings are from the Munch Museum in Oslo. Until March 12.

Calcografia, (Via della Stamperia 6): Valadier the Architect (1762-1839): Drawings and engravings by the prolific architect and town-planner displayed in the Institute of which he was director for more than 53 years. On show are his plans for Piazza del Popolo and the Flaminia area and for the restoration of the Arco di Tito, and drawings of the numerous churches, Palazzi and entire areas of Rome designed by him (such as the Campo Marzio). Particularly charming are a series of 11 delicate pen and wash drawings, not more than two inches square: "Vedute Fantastiche" – imaginary streets, palaces and state settings. Until January 15.

SPAIN

Madrid, Retrospective of Jose Ocana (1947-1983). More than 250 paintings showing two stages of his short painting life: the first, dark and pessimistic of Spanish rural life and the second characterised by lively colours in a naif style. Museo Espanol de Arte Contemporaneo-Meac, Avenida Juan Herrera. Ends Jan 20.

Madrid, Repetitive Structures. 22 works by 21 artists on loan from Ludwig Museum in Cologne, among them, Andre, Judd, Lewitt and Morris engaged in the Minimal movement and Andy Warhol, Lichtenstein und Dine in the Pop Art. Interesting mix of styles and trends. Fundacion Juan March, Castello 77. Ends Feb 18.

Madrid, 100 Masterpieces of Portugal. First of its kind from neighbouring country gives a good retrospective of Portugal's works produced between 12th century and today. On loan from museums, churches, palaces and foundations like the Gulbenkian. Centro Cultural Conde Duque, Conde Duque 9-11. Ends Jan 12.

Madrid, Enzo Cucchi. A selection of artist's drawings and paintings of the past 18 months. One of the top international plastic painters of the 1980s. This show goes on to Bordeaux, New York and Paris. Fundacion Caja de Pensiones, Serrano 60, Madrid. Ends Feb 2.

VIENNA

Kandinsky in Paris 1934-1944: An extensive collection of oil paintings, gouaches, watercolours and photographs from the last 10 years of Kandinsky's life, organised by the Guggenheim Museum, New York. It shows the culmination of his development as pioneer of abstract art, his earlier dramatic exuberance giving way to a more refined style with softer pastels and monochrome colours, but the dynamism remains. In sections on Black Backgrounds and Concrete Art Kandinsky's works are brilliantly complemented by those of Klee, Mondrian, Arp, Miro and Picasso, showing his influence on a generation of European abstract artists. 20th Century Museum. Ends Jan 26.

George Grosz, The Berlin Years (1912-1933): A collection of caricatures of life in Weimar Germany from the First World War to Nazism. Mr Grosz, a committed socialist and celebrated draughtsman, produced powerful caricatures of establishment figures from the church, the Government and the financial world who are portrayed as brutal, pompous and stupid, amid vaguely threatening scenes of urban decay. His images may shock but his stark and realistic style conveys a powerful impression of a turbulent period in Germany's history. At the Twentieth Century Museum until January 21.

NEW YORK

Guggenheim Museum: 55 major sculptors of the 20th century, including Giacometti, Nevelson, and Johns, are part of the theme Transformations In Sculpture, meant to cover pop art, minimalism and Arte Povera, among other movements of the past 40 years. Ends Feb 16.

Pierpont Morgan Library: 200 British photographs from the Victoria & Albert Museum cover Fox Talbot to Julia Margaret Cameron and Lewis Carroll among the earliest practitioners in the years from 1839 to 1900. 36th St & Madison Av. Ends Feb 2.

WASHINGTON

National Gallery: The Treasure Houses of Britain collects 700 objects from 200 stately homes in a show mounted and decorated to look like the quintessential stately home, with paintings by Holbein, Rubens, Van Dyck, Hogarth and Turner among many others, as well as Chippendale furniture, Meissen and Sèvres porcelain and tapestry, jewellery and armour. Ends Mar 9.

National Museum of American Art: 73 works of New Zealand Maori artists show the mixture of religious, symbolic and artistic traditions in feather capes, ceramic vessels, carved and painted gourds and woven hangings using native materials. Ends March 9. Renwick Gallery.

Authors to gain more from borrowed library books

More than 9,600 authors can expect a cheque from the Government next month as beneficiaries under the Public Lending Right scheme, whereby writers are rewarded in proportion to the number of times their books are borrowed from public libraries. And this year they should receive more cash.

For the Government has increased its funding by £750,000, to £2.75m for 1985-86, although £350,000 of this goes in operating costs. The average amounts received will also be reduced by the higher number of recipients: last year only 7,622 authors benefited. Over 1,500 writers registered under the scheme receive nothing.

Sixty three authors will receive the maximum possible payment of £5,000 (as against 47 last year). The Public Lending Right Office does not disclose the identity of the main beneficiaries but in the main they are writers of popular fiction, headed by Catherine Cookson, and including all the obvious names like Jeffrey Archer and Barbara Cartland. However, well aware that the scheme gives to those that already have, many top writers hand over their £5,000 to writers' charities.

This year the rate per loan of book was 1.27p as against 0.92p a year ago. The great bulk of writers, over 6,200 of the total, will receive less than £99 while another 2,433 get between £100 and £500. It is estimated that 44 per cent of the fund goes to authors earning less than £1,000 each. The data was collected from 16 sample libraries but the computer involved is able to spot authors trying to boost their income by mass borrowings.

One side-benefit from the scheme is that it provides more information about library borrowings—644.5m last year—of which 217m were of books on the PLR Register. The rest were books written by dead or foreign authors, or books that have not been registered by their authors.

*

The Arts Council is to use the Ideal Home Exhibition at Olympia in March as a vehicle for promoting contemporary art. It is getting together with Liberty to present the Living Art Pavilion, a succession of imaginary living spaces for which Liberty is providing the furniture and the Arts Council the pictures, sculptures, prints, and so on.

The enterprise, which is costing the council more than £10,000, is part of a drive to encourage more private patronage of the arts. The works of art come from the council's own collection and from dealers and artists, but will not be for sale. Among the artists on show will be Dhruva Mistry and Adrian Wiszniewski among the rising stars, and David Hockney and Howard Hodgkin from the establishment.

Antony Thorncroft

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telegrams: Finantimo, London PS4, Telex: 8954871

Telephone: 01-248 8000

Thursday January 9 1986

The response to terrorism

PRESIDENT REAGAN is fully entitled to take the measures which he has announced against Libya, assuming of course that he is convinced by the evidence of involvement by Col. Gadaffi's regime in the atrocities at Rome and Vienna airports. It is unlikely that the measures will impose any notable hardship on the Gadaffi regime, cause it to rethink its international policies, or lessen the incidence of terrorism; but they are a practical expression of US abhorrence at terrorist acts which claimed the lives of its own citizens.

The events leading up to President Reagan's announcement and the initial reactions to it underline the extreme complexity of dealing with terrorism on an international scale. President Reagan will have noted both the opposition to his call for international sanctions against Libya which came from much of Europe, and the extent to which Arab and Moslem countries rallied to the defence of Libya when it seemed that Washington was considering a military response.

Practical answer

In the short-term the most practical answer to terrorism—and the one on which it is easiest to reach greater international agreement — is enhanced security and improved policing. There is still some work to be done on improving and co-ordinating security measures, ranging from techniques designed to prevent guns or explosives being taken onto aircraft, to tighter passport and immigration controls. Following the attacks at Rome and Vienna there is also a case for introducing an initial screening process for anyone seeking to enter an airport building.

As transport appears to be the favoured terrorist target, it might also be deemed—again in the short term—to be the area in which the most effective immediate response can be made. Ease of transport communication should be restricted, or denied, to countries which harbour or train terrorists. This could take the form of cancellation of landing rights for their airlines and similar withdrawal of flights from Western international airlines. Anything which limits the facility with which terrorists can move from their home bases needs to be considered with greater urgency than so far shown.

The attraction of such measures is that they do make terrorism more difficult to practise, can impose some sense of practical isolation on the regimes involved, and do not threaten the dangerous circle of violence that is inherent in a military response.

President Reagan appears to have decided, at least for now, not to attack alleged terrorist training bases or other targets in Libya. It is a correct decision, not because a government can be denied the right to hit back, but because military retaliation risks being indiscriminate and disproportionate, and tends to play into the hands of Middle East extremists, at the expense of those who advocate negotiated political solutions.

The threats against Col Gadaffi emanating from Washington and Israel brought him a show of Arab and Moslem support that was in almost total contradiction to the region's normal response to the Libyan regime. Col Gadaffi is not admired in the Middle East. Many regimes would like to be rid of him. However they are unanimous in preferring Gadaffi to American military intervention.

The U.S. has to be aware of the loss of credibility which it has suffered in the Middle East during the last few years. Even countries which are close to Washington, such as Jordan, Egypt and Saudi Arabia, seriously question American willingness to follow policies which they would consider even-handed. Their anxieties are reflected within the European Community, which quite apart from its trade interests in Libya, has a markedly different approach to the Palestinian issue from that of the US.

There is a great danger of these differences being exacerbated by the actions of small groups of ruthless extremists and of allowing them to set the pace in the middle East. They are but a tiny minority whose influence should be commensurately small. It is perhaps possible to deal with them individually, where they can be clearly identified, but to allow their actions to provoke rifts between friends is to provide them with a wholly unwarranted bonus.

There is no dramatic international cure-all solution to the problem of terrorism. Western nations must co-operate more determinedly in their efforts to close down the avenues along which the terrorists operate, but they must not lose sight of the chronic problems in the Middle East which have proved such a fertile breeding ground for them. The two responses can be complementary. Delay in co-ordinating them can only increase the opportunities for the terrorists to create yet more mayhem.

Insidious form of protection

IN RECENT years, voluntary export restraints (VERs) have come to represent the acceptable face of protectionism. Politicians who profess strong support for the general principles of free trade and who express distaste for the paraphernalia of tariffs and quotas find it surprisingly easy to sanction trade restraints in which exporters apparently willingly restrict their sales to the home market.

The attraction of VERs is not hard to fathom. The fact that this type of trade restraint is ostensibly voluntary is important. Unilaterally imposed tariffs or quotas have an authoritarian, not to say coercive, feel that may even be resented by consumers in the domestic market. By contrast, a voluntary agreement thrashed out by two sets of trade delegates seems rational and responsible: nobody is forced to do anything; countries simply come to an understanding that is supposedly mutually beneficial.

Perhaps more important, voluntary export restraints are the most opaque form of protection yet devised. Indeed, the full extent of VERs is probably unknown: these bilateral agreements are often forged at the industry rather than government level and are not reported to any international organisation such as the General Agreement on Tariffs and Trade. They appear to offer protection for domestic industries without imposing substantial penalties on anybody else, with the possible exception of the exporters affected. Tariffs, by contrast, impose a more visible penalty—some consumers recognise they are being forced to pay more for foreign goods.

VERs do not, however, offer something for nothing. Like other forms of protection, their normal effect is to transfer income between groups in the domestic economy: the protected industries gain, but only at the expense of consumers and the producers of non-protected goods. But the most important point is that the losers generally lose more than the winners gain. Protection is not a zero but a negative sum game. Moreover, VERs are a peculiarly inefficient form of protection: with tariffs there is at least a rise in government revenue to set against the rise in domestic prices; with VERs what would have been tariff revenue ends up as higher profits for foreign producers.

The cost of VERs is surprisingly high. The Trade Policy Research Centre, whose report on the subject is published today, calculates that the annual cost of this type of protection in just four industries—cars, videos, clothing and footwear—probably approaches £1bn. The restraints cannot be justified on employment grounds: the cost per job saved of this type of intervention ranges from about £80,000 a year for videos to £7,500 in footwear. In each case examined by the TPRC, if VERs were abandoned, it would be possible to pay redundant workers their present wages and still have cash over with which to make the rest of the population better off.

Tariffs

The charge against VERs is that they are an inefficient means of pursuing any political or economic goal. If politicians are determined to penalise the domestic economy (and domestic exporters) by adopting protectionist measures, they should at least select a relatively efficient form of protection, which in most instances will be tariffs. If they want to save or create jobs, they should put more money into relatively efficient employment schemes such as the Community Programme.

The first VER, which covered cotton textiles, was agreed between the US and Japan more than 30 years ago. It paved the way for the absurdities of the Multi-Fibre Arrangement and what is now a plethora of "voluntary" restraints that represent an insidious threat to the open trading system. The onus is now on those governments that claim to comprehend the virtues of free trade to match their words with actions and wind up existing VERs. The point that never seems to be grasped is that countries stand to gain by unilaterally dismantling protective barriers.

FORD'S NEW TRANSIT IN EUROPE

MEDIUM COMMERCIAL VEHICLE MARKET

SHARES IN WESTERN EUROPE

Total units	1971 444,000 %	1975 411,000 %	1980 665,000 %	1984 641,200 %	1985* 521,500 %
Japanese	0.3	3.0	11.8	21.6	22.1
Volkswagen	29.9	21.7	20.2	14.9	14.8
Ford	16.0	20.0	18.5	13.4	12.3
Fiat	8.8	6.7	6.4	9.2	9.5
Daimler-Benz	8.1	9.4	8.8	8.6	9.2
Peugeot-Citroen-Talbot	na	14.4	11.1	9.8	9.1
Renault	5.3	5.0	3.2	8.6	8.7
BL	6.5	5.9	4.3	4.5	4.4
General Motors (Bedford/Isuzu)	6.5	6.0	6.8	3.6	3.5

*First nine months

The competition is revving up

By Kenneth Gooding, Motor Industry Correspondent

BURY a Transit van for posterity, Professor Reyner Banham once suggested. "If anthropologists and archaeologists continue to insist on evaluating civilisations by their artefacts, we deserve to be remembered by the Ford Transit, the pantechnicon extraordinary to the way we live now," he said.

There is not much time left if we are to follow his advice because Ford tells us today that a new Transit, with a redesigned body (see illustration), will be going on sale next month in a drive to recapture its declining European market share.

Prof Banham, the art historian, write his homage to the Transit in 1970, five years after the van was launched. Since then the vehicle has become even more firmly established as Western Europe's favourite medium-size van and Britain's best-selling commercial vehicle. In the UK the name Transit has become synonymous with a certain class of commercial vehicle, just as some people call vacuum cleaners Hoovers and excavators JCBs.

The Transit emerged as one of the most successful products to be launched in Europe since the war because Ford hit on the concept of a range of vans, buses and chassis models with variations in wheelbase, payload, engine, transmission and door types all sharing a pool of common components. It was the first vehicle Ford developed not just for the UK or West Germany but for all the European markets and the lessons learned were used by the group's car operations. The Transit is indeed highly versatile.

Transits have been specially equipped to carry just about everything from rubbish, ice cream and corpses to high explosives, plate glass, cement mixers and gun-toting security guards.

ICI even has 16 Transits deep in its Cheshire salt mines. They were cut in half to get them down the lift shaft, welded together again and now spend their time carrying dynamite around the 20 square miles of mines.

Ford once estimated it could build the Transit for 30 years without repeating one single specification.

The company also claims half the ambulances in Britain are Transits and 80 per cent of UK police forces use them.

Ford was the first company to offer mass-produced minibuses and today eight out of 10 buses owned by British schools are Transits.

The Metropolitan Police once gave the vehicle the dubious distinction of naming it "Britain's most wanted van" and said the Transit was used in 95 per cent of bank raids. To the villain it offers a vehicle which drives like a car but can hold 1¼ tons of loot and, because there are so many about, can easily get lost in London traffic.

The Transit has also done very well for Ford on the Continent. Among other users, the leading French undertakers, Pompes Funebres, has a fleet of over 500.

So the Transit has a secure place in automotive folklore and this alone would make the vehicle very important to Ford. But there is much more to the Transit's value to the company.

To start with the most important point of all—it is Ford's most profitable individual model, cars included.

That is important, not only to the producer but also to the 25,000 dealers throughout Western Europe.

The van contributes 65 to 70 per cent of Ford's total commercial vehicle unit sales but, in a normal year, 80 per cent of the company's commercial vehicle profits.

More than 2m have been produced, over half in the UK at Ford's Southampton plant. The rest have been made at Genk in Belgium.

"So the Transit is the heart of our commercial vehicle business, says Mr Mike Hammes, Ford of Europe's vice-president, truck operations, a business which has a turnover of $1.3bn a year.

Why, then, has it taken Ford so long to replace this vital model? After all, the first Transit left the production line on August 9 1965, and in the past few years a stream of new products aiming to be just as versatile as the Transit have appeared from Ford's rivals in Europe.

First, the Japanese will manufacture more vans in Europe at their own factories. Nissan

A secure place in automotive folklore

is already making the Vanette at its Motor Iberica subsidiary in Spain.

Second, in response to their own falling market shares, the Europeans are likely to look for ways to reduce the cost and investments needed for new van ranges and will use Japanese vehicles to do so, either by importing them fully built-up or by producing Japanese-designed vehicles.

The trend has already been established. Ford itself recently added a van produced by its Japanese associate Mazda to its range in West Germany. Although the vehicle does not appear to compete directly with the Transit—it is slightly smaller—there is no doubt many customers will buy the import instead of the Transit.

Mr Hammes says wryly that Ford of Europe has had tremendous calls on its resources and decided new cars—the Escort and the Sierra (to replace the Taunus/Cortina range)—had to come first.

Not many Ford people expected the old Transit to hold up so well against the new competitors. And it has been entirely a matter of luck that it has.

In the UK, the largest medium commercial vehicle market in Western Europe, Ford had only 18 per cent of the sector before the Transit was launched. In little more than a year the van had taken 26 per cent and given Ford market leadership, a position the company has held ever since.

At times Ford's share of the sector in Britain has been as high as 40 per cent and only once since 1967—in 1981—has it been under 30 per cent. In 1985 the van still accounted for about 33 per cent of medium sector sales, according to Ford's reckoning.

But the Transit recently has lost much ground in Continental markets.

At the end of the 1970s Fiat and the Peugeot group launched jointly-produced medium vans (sold as the Fiat Ducato, Peugeot J5, Citroen C25 and the Talbot Express) from a new factory in southern Italy. Renault introduced the Trafic/Master range of vans and between them these newcomers snatched share from the Transit in France and Italy.

Most important of all, the Japanese made an aggressive entry to the sector.

Between 1980 and 1984 Japanese penetration increased from 11.8 to 21.6 per cent of the 641,200 West European medium-van market. Most of the Japanese vehicles are slightly smaller than the Transit and other European products and to some extent opened up a new sector, but offer very cheap transportation because prices are low.

They benefit from the substantial cost advantage the Japanese car industry has built over the Western producers because the vehicles share many common mechanical components (engines, transmissions and so on).

And there is no doubt that every Japanese van sale was at the expense of the European producers, taking from other medium vans or the small, car-based types.

Most of the damage was done by the Japanese in West Germany, Europe's second-largest medium commercial sector, where their share jumped from 4.5 per cent to 26 per cent.

A similar surge in the UK—in 1981 the Japanese peneration increased from 13 to 18.8 per cent—caused so much consternation that the Japanese agreed to include comercial vehicles in the voluntary restraint agreement they have with the UK industry and their share has stabilised at around 14.5 per cent.

In 1980 Ford sold 122,000 built-up Transits in Europe. Since then Japanese and new European competition has reduced annual sales to about 85,000.

But Mr Hammes predicts the new Transit will be selling at the rate of 120,000 a year by the end of 1986 when output reaches near-capacity.

Much of the increase will come from those Continental markets where the Transit is already successful with a share of between 8 and 15 per cent. "The new product gives us a chance to make a big jump forward in France, West Germany and Italy," Mr Hammes maintains.

Mr Hammes emphasises that about one-third of the components are carried over from the old to the new Transit, as well as the name, so the new Transit is an "evolutionary, not a revolutionary product" — an important claim because most customers are very conservative and shy away from any completely new vehicle with no track record behind it.

For this reason, as much as any other, there seems to be nothing in Ford's or any other company's development pipeline to replace the old box-on-wheels concept for a van.

"But we have no intention of waiting another 20 years before we replace this Transit," says Mr Hammes.

Ford also says that the new Transit will maintain the strengths of the old van while offering significantly improved load-space, volume and access, driver environment, ride and manoeuvrability.

Production of the new Transit will be split about equally between Southampton and Genk, with the former supplying the UK, a few hundred a week of special versions for export plus 40 knocked-down kits a day for assembly at Ford's factory in Portugal.

There is scarcely a market in the world where the old Transit was not sold during its lifetime, but the new vehicle was not designed to be distributed widely outside Western Europe.

Ford's investment in the new Transit totals about $500m. This includes $150m for the new 2.5 litre direct-injection diesel engine produced at Dagenham in Britain and which Ford took care to introduce last spring in the old van so that customers could get used to it.

Most of the investment money has been spent in the body shops at Southampton and Genk. In the UK factory, for example, 125 robots have been installed capable of producing up to 36 different body styles automatically.

Ford is putting many more features into the new Transit but the extra cost is being offset by automation.

That, together with a small price increase, should ensure Ford's return on its investment is at least as good as that for the old Transit, says Mr Hammes, and the break-even level of output is about the same.

Some observers suggest however, that Ford's sales expectations are over-optimistic.

Volkswagen will be replacing its Transporter/LT range of vans before long. Renault and the Fiat-Peugeot vans will also be replaced. Each of the European companies will be looking for sales of 100,000 a year to make the investment in new medium vans worthwhile.

But the biggest threat to Ford's hopes remains the Japanese. Two developments in particular spell trouble for Ford and the other European van makers.

Daimler-Benz, the Mercedes group, and General Motors have made arrangements to assemble vans based on Japanese designs — D-B will produce a Mitsubishi vehicle at its subsidiary in Spain while GM's British offshoot, Bedford in the UK, is making vans based on Isuzu and Suzuki designs.

The possibility of selling these vans in the important

Investment in the new Transit totals £500m

French and Italian markets, which are virtually closed to built-up Japanese vehicles, is a major incentive for the "Europeanised" Japanese-designed vehicles.

Mr John Lawson, director of DRI Europe's automotive service, says: "On present plans, Europeanised vehicles could take 10 per cent of the European light commercial vehicle market, in addition to the near-20 per cent already taken by Japanese imports.

"Our expectation is that other manufacturers will join in the process and could take the penetration of Japanese designed light commercial vehicles to 40 per cent some time in the 1990s."

Ford will be hoping that that is one forecast which will prove to be inaccurate.

Twenty years ago the company introduced a van which successfully matched the market's requirements and has reaped abundant reward. But Ford must be asking itself whether it has waited too long before launching the Transit replacement.

Men and Matters

High tide at The Economist

The Economist's gain is, in a rather modest sense, the Social Democratic Party's loss. The paper's new editor Rupert Pennant-Rea will not, he says, be renewing his subscription to the SDP this year.

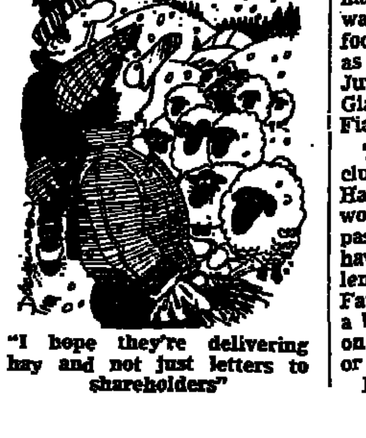
Describing himself as a well-wisher, not an SDP activist, Pennant-Rea, 37, feels that an editor's loyalty to the readers rules out membership of political parties. But in a three horse race in which the other contenders both internal, were Dudley Fishburn, a former Tory parliamentary candidate, and the paper's political editor, Simon Jenkins, the new man's credentials are the least "dry."

In the world of The Economist that still means some way to the right. Pennant-Rea, himself, admits to being a disillusioned corporatist, having worked at the Confederation of Irish Industry, the General and Municipal Workers Union and the Bank of England before joining The Economist, where he became economics editor.

He lost his faith in incomes policy after the 1979 "winter of discontent" and now believes strongly in monetary discipline, though not in what he calls "monetarist" monetary policy: he would like to see Britain in the Europen Monetary System to put free-spending politicians under th thumb of the Bundesbank.

No abrupt changes are on the cards, which is not altogether surprising, given that the paper's circulation has more than doubled to just over 280,000 in the past 10 years. But the 6 ft 3 ins Pennant-Rea intends to expand The Economist's coverage of Asia and to extend the finance sector.

Another loser from the appointment could be the World Bank. Pennant-Rea has edited its World Development Report since 1980 — a job for which he is unlikely now to find time.



"I hope they're delivering hay and not just letters to shareholders"

Game plan

Silvio Berlusconi, the former Milanese property developer who has become Italy's leading commercial television magnate, has ambitions to establish "a Europe-wide television network."

But before that, he wants to fulfil another dream which he shares with just about every man and boy in Milan. He wants to own Milan AC, the football team which is almost as well known in Europe as Juventus of Turin, owned by Gianni Agnelli, the chairman of Fiat.

The Milan team, which includes England players, Mark Hateley and Ray Wilkins, has won the European Cup in the past, but just now seems to be having a few financial problems. It is owned by Giuseppe Farina, a landowner who places a book value of L10bn (£4.2m) on it, but apparently wants four or five times as much to sell.

Berlusconi, who has a shrewd eye for a bargain, is said to be offering just L16bn (£6.2m). Negotiations continue — but most everyone in Milan believes the man who brought them Dallas and Hollywood quiz shows will succeed with his bid.

Pen pals

Jean-Marie Le Pen, the stormy leader of France's far-right National Front Party, has shown that he can cause political short circuits even in quiet Switzerland.

An invitation to Le Pen to take part in The Challenge, a regular interviewing programme on the Swiss French-language TV channel, has set the sparks flying in Geneva.

In an attempt to stop the extremist right-wing politician, a Socialist, Bernard Ziegler, (he is in charge of the local department of justice) has resurrected a Swiss federal decree of 1948 which stipulates that foreigners have to seek official permission to address public or private gatherings in Switzerland. The decree applies to debates on TV as well, Ziegler claims.

It would have taken months to get a ruling from the Swiss supreme court. And in any case the management of the French-language TV channel has indignantly refused to apply for official sanction for any guests on its programmes.

The background to the dispute is the unusually large gains made in last year's local elections in Switzerland by the right-wing Vigilant and National Action Parties

Refusing to back down, the TV team arranged for a two-way link with a Paris studio from which Le Pen agreed to be cross-examined by Jacques Barillon, his opponent in Geneva.

Le Pen has obviously revelled in the row. "The city of Calvin ought to know that persecution helps ideas," — he said with a broad smile.

Times past

"I have always been attached to the 18th-century idea of the bookseller / publisher," says Arts Council chairman Sir William Rees-Mogg. Now, with 20th-century techniques, he is reviving the publishing roots of his antiquarian booksellers, Pickering and Chatto, which have been dormant since 1928.

Pickering was one of Britain's leading publishers in the 1800s, issuing the standard editions of Chaucer, Marlowe, Milton, Johnson and Coleridge. "It always amazed me that the firm had forsaken book publishing," says the former editor of The Times.

The revival will be launched —in response to some market sampling among the firm's customers—with scholarly editions of the collected works of Darwin, Babbage and Malthus.

Rees-Mogg expects around 80 per cent of the sales to be overseas. Special attention is being given to sales promotion in Japan where, apparently, libraries are expanding their shelf-space for such classical authors at a fast rate

Twenty-nine volumes of Darwin are priced at £1,360; 11 volumes of Babbage at £500 and eight volumes of Malthus at £360.

Rees-Mogg, dwelling on his love of 18th century ideas, commends Malthus. "Keynes thought Malthus got it right where Ricardo got it wrong. I think Ricardo got it right where Keynes got it wrong. But that does not diminish my regard for Malthus."

Client at fault

Receiving a letter that began "Dear Mr . . ." a woman FT reader was moved to protest to the Scottish lawyer who had made the gaffe.

He replied apologising that she had been "incorrectly designed."

Observer

BASE LENDING RATES

ABN Bank	11½%	■ Guinness Mahon	11½%
Allied Dunbar & Co.	11½%	■ Hambros Bank	11½%
Allied Irish Bank	11½%	Heritable & Gen. Trust	11½%
American Express Bk.	11½%	■ Hill Samuel	§11½%
Amro Bank	11½%	C. Hoare & Co.	11½%
Henry Ansbacher	12½%	Hongkong & Shanghai	12½%
Associates Cap. Corp.	12 %	Johnson Matthey Bkrs.	11½%
Banco de Bilbao	11½%	Knowsley & Co. Ltd.	12 %
Bank Hapoalim	11½%	Lloyds Bank	11½%
Bank Leumi (UK)	12½%	Edward Manson & Co.	12½%
BCCI	12½%	Meghraj & Sons Ltd.	11½%
Bank of Ireland	11½%	Midland Bank	11½%
Bank of Cyprus	11½%	■ Morgan Grenfell	11½%
Bank of India	11½%	Mount Credit Corp. Ltd.	11½%
Bank of Scotland	11½%	National Bk. of Kuwait	11½%
Banque Belge Ltd.	11½%	National Giro Bank	11½%
Barclays Bank	12½%	National Westminster	11½%
Beneficial Trust Ltd.	12½%	Northern Bank Ltd.	11½%
Brit. Bank of Mid. East	12½%	Norwich Gen. Trust	11½%
■ Brown Shipley	12½%	People's Trust	12½%
CL Bank Nederland	12½%	PK Finans. Intl. (UK)	13 %
Canada Permanent	11½%	Provincial Trust Ltd.	12½%
Cayzer Ltd.	11½%	R. Raphael & Sons	11½%
Cedar Holdings	12 %	Roxburghe Guarantee	12 %
■ Charterhouse Japhet	11½%	Royal Bank of Scotland	11½%
Citibank NA	12½%	Royal Trust Co. Canada	11½%
Citibank Savings	¶12½%	Standard Chartered	‖11½%
City Merchants Bank	11½%	TCB	11½%
Clydesdale Bank	11½%	Trustee Savings Bank	11½%
C. E. Coates & Co. Ltd.	12 %	United Bank of Kuwait	11½%
Comm. Bk. N. East	11½%	United Mizrahi Bank	11½%
Consolidated Credits	11½%	Westpac Banking Corp.	11½%
Continental Trust Ltd.	11½%	Whiteaway Laidlaw	12 %
Co-operative Bank	*11½%	Yorkshire Bank	11½%
The Cyprus Popular Bk.	*11½%		
Duncan Lawrie	11½%		
E. T. Trust	12 %		
Exeter Trust Ltd	13 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	12½%		
First Nat. Sec. Ltd.	12½%		
■ Robert Fleming & Co.	12½%		
Robert Fraser & Ptrs.	12½%		
Grindlays Bank	‡11½%		

■ Members of the Accepting Houses Committee.

* 7-day deposits 8.00%. 1-month 8.50%. Top Tier—£2,500+ at 3 months notice 11.25%. At call when £10,000+ remains deposited.

‡ Call deposits £1,000 and over 8.00% gross.

‖ 21-day deposits over £1,000 8.25%.

¶ Mortgage base rate.

§ Demand dep. 8%. Mortgage 13%.

ECONOMIC VIEWPOINT

Why sterling needs to be held

By Samuel Brittan

ONE CAN speculate endlessly about why sterling should have come under pressure again. What is clear is that this pressure has to be resisted as much as possible. For a reasonably firm exchange rate — and the rate is now by no means as high as the devaluation lobby in industry contends — is the only effective brake on the tendency of business to concede suicidally high pay increases.

The proximate reason for sterling's weaknesses are to do with oil at one remove. The UK Government managed to avoid a base rate increase when oil prices came under pressure in December, but by using the foreign exchange reserves to support sterling.

The size of the December reserve outflow—an underlying $413m — came as a shock to financial markets and reminded them of the meagre size of official reserves. Coming to some $15.5bn in all they are small in relation to even modest fluctuations in movements across the exchanges.

There was clearly not all that much more ammunition available to support the pound from the reserves, and a base rate increase in the face of substantial further pressure on the pound became inevitable.

The problem with the oil price is that the risks are mostly one way. The central market expectation for the price of Brent crude later this year is probably about $22 per barrel, compared with the $26 level which the Treasury probably had in mind when the Autumn Statement was prepared.

But a much greater risk is perceived of oil falling below $22 than remaining above it.

Net exports of oil represent 7 or 8 per cent of total UK exports of goods and services. So a 10 per cent fall in the oil price would be associated with a fall of less than 1 per cent in total overseas earnings. According to a UK Treasury Paper it could also be associated with a 3 per cent sterling devaluation.

The danger always is of confidence and portfolio movements amplifying anything that seems justified on the economic arithmetic.

Inside the EMS the UK would have access to a short and medium-term financing facility totalling Ecu 25bn (about $18bn) and theoretically unlimited very short-term facilities to finance obligatory intervention.

The worth of these facilities should not be overrated. They give a member government more time to stop, look and listen to decide whether currency pressures are transitory or underlying, before jacking up interest rates. They also give a breathing space for a government to decide and present its monetary and fiscal policies.

They do not, however, enable a government to argue with fundamental market sentiment. The real case for UK membership of EMS is that it is the one convincing way in which British monetary policy—and its intention not to finance more inflation—can now be presented convincingly at home and abroad.

If British macroeconomic policy is based on the exchange rate—which it *largely is*—one might surely obtain more of the advantages of it, in terms of a known range forming part of an international agreement, and not just the disadvantages which are mostly gained from the present obscurity.

* * *

The pressure on sterling and the increase in base rates should bring into focus a much more important debate on the present British economic recovery.

This relates not to the rate of overall growth about which the Treasury has been right, and where most City commentators have usually had to adjust their forecasts upwards as the year to which they refer approaches.

The real debate should be about the composition of economic growth. There are two sides to the argument even here. But the reasons for concern are shown in the accompanying table. The 1986 figures are based on Treasury forecasts; the ones for 1987 are freely adapted from Phillips and Drew—freely adapted because I have rounded upwards as a very partial offset to the pessimistic bias mentioned above.

One striking aspect is that the volume of consumer spending is expected to rise much faster than national output in both 1986 and 1987. So are imports — taking goods and services together. They are predicted to rise by an average of 4 to 5 per cent per annum,

UK GROWTH PROSPECTS

Year of year % change
Volume

	1985	1986	1987
Private consumption	2½	4	3½
Government consumption	0	½	1
Fixed investment	4	3½	1
Exports*	7	2	2
Imports*	3½	4	5
Stockbuilding†	0	½	½
Currency balance of payments (£bn)	3	4	−2
GDP	3½	3	2

* Including services. † % of GDP

Source: See text

while exports are supposed to rise by only 2 per cent.

For the time being, these trends are compatible with a continuing or even rising current account surplus—largely because of the improvement in the terms of trade due to commodity price falls and currency trends. But these cannot go on forever; and if imports continue to grow faster than exports, there will eventually be a current account deficit, whether in 1987, as shown in the table, or slightly earlier or later.

There is nothing inherently wicked about a current payments deficit. For some countries it is quite justifiable. But it is singularly inappropriate for a country which will still be a net oil exporter, but facing a gradual rundown of oil production to the point where it becomes an importer again. A nation in this position should be accumulating overseas assets rather than increasing international indebtedness.

If the depressing picture in the table is accurate — and I shall come to why it is a big if— then there is no mystery about why it has occurred. Its origins lie in the combination of rapid increases in pay and labour costs, combined with a moderately "hard currency" exchange rate policy.

The latter does indeed stifle or at least dampen the inflationary effect of excessive pay increases. But by the very same token, it boosts consumption and undermines the international competitiveness of British products. It thus poses a danger to the profits recovery, especially among companies in the international sector, and raises a query about the Treasury forecast of rising investment in 1986.

The obviously tempting policy for improving export and import trends, while dampening real consumer incomes, is to allow further substantial depreciation of sterling. It is rightly ruled out, because it would reignite inflation. The depreciation would not even remain very effective for long, if, as is likely, workers succeeded in obtaining still higher pay increases to offset the squeeze in the rate of increase of their real pay.

But before succumbing to complete pessimism, one should consider some possible flaws in the pessimists' case. One distortion to be noted is that UK markets have been growing and are expected in the near future to continue to grow by between 1 and 2 percentage points per annum more slowly than world trade. This largely reflects the consequence of weak oil demand for Opec imports, which are of special importance to UK trade. Sooner or later, the correction will be over and UK markets will start to grow again more nearly in line with the world average.

More important is the fact that the UK exchange rate is now much more "competitive" than generally realised. The recovery of the trade-weighted rate for the pound from the low of a year ago largely reflects the dollar component. This is because the dollar has fallen from a rate widely regarded as unsustainably high, and which few businessmen counted on continuing in their own international planning.

The key rate for UK trade is that against the D-Mark. At just above DM 3.5 to the pound it has been as low as in last winter's "crisis." The present combination of exchange rate against the dollar and the D-Mark is about the best compromise between counter-inflation and competitiveness that we are likely to get.

The best way for the UK Government to maintain sterling's present exchange rate against the D-mark while it continues to rise against the dollar, at *minimum interest rate cost* would be to join the exchange rate arrangement of the EMS.

This is not because of any magic in the EMS, but because it *is* there and happens to be the one credible way of stating the British Government's own financial intentions. It would almost certainly make the defence of sterling against oil price pressures less costly than it is now.

In any case, by the spring, when the French elections are over and the expected EMS realignment takes place, the worst oil market effects on sterling are likely to be over, and the petro-status of the currency will provide little further excuse for postponing membership. Indeed, it may well be the last opportunity to join this side of the next British election, and membership will be a much more worthwhile "Euro" achievement than a Channel tunnel or a "Euro" helicopter.

But if a frontal attack is to be made on the UK pessimists, it must, however, be by throwing doubt on the labour cost figures on which most of the projections depend. These are usually based on manufacturing, where estimates suggest that wage costs per unit of output have been rising by an average of about 6 per cent so far this year. This is in contrast to the "whole economy," where the average has been more like 4½ per cent, despite a jump to 6 per cent in the third quarter due to the erratic behaviour of the relevant output series.

The unit labour cost estimates can be queried for other reasons. Productivity may be seriously underestimated for manufacturing and to some extent for the whole economy. This is the most likely reason why employers have been able to afford pay increases at a rate denounced both by the Government and the CBI itself. These pay increases are still bad for jobs, compared with more moderate ones, but the implications for competitiveness might not be quite as severe as the statistics suggest.

It has also been argued that manufacturing earnings indices have themselves been exaggerated because they do not take sufficient account of contract labour—which is less expensive than directly employed worker —and the use of which has been increasing rapidly.

If it turns out that labour costs per cent of output are rising at, say, 3 per cent per annum rather than 6 per cent, they will still be rising faster than in major competitors, including Germany. But the gap may be bridgeable either by the pressure that EMS membership would put on pay settlements, or at worst by modest realignments against the DM of the kind that are par for the course for most existing EMS currencies.

Fortunately, it is not necessary to decide between the more pessimistic and optimistic diagnosis. For in either case the Government's best bet is to hang on to a relatively hard currency policy (ie reasonable stability in the pound-D-mark rate and no major further fall in the trade-weighted average) and hope that labour costs are either rising less than the official figures suggest, or at least will be made to slow down in future.

For if the game plan does not succeed, Britain will end up fairly high in the European inflation stakes, with an inflation rate permanently above that of France, instead of transitorily so, as we may still hope today. It is worth persevering to prevent this eventuality, and using every aid, including unlovely Euro devices, to do so.

Peter Robeson's article in yesterday's FT should have referred to the decline of the UK's reliance on monetary aggregates, *not* the Fed's. We apologise for the error, which arose during editing.

Lombard

Ancient customs of the law

By A. H. Hermann

ACCORDING TO the venerable Gilbert Abbott A'Beckett, "there are also attorneys, now called solicitors, and barristers, whom we shall now proceed to give a bird's-eye view of. Every man may appear by his attorney, except an idiot, who must appear in person, for the law regards an idiot as one *who is* naturally qualified to enter personally into a lawsuit." ([1887] CB 3, III, 5)*

Though an idiot *must*, everybody else *may* appear as a litigant in person, in all courts of the land. A solicitor will do in tribunals and lower courts and even in the High Court in the judge's chambers. In the open court, however, High Court judges, Appeal judges and Law Lords will take notice only of barristers. Barristers, alas, will not come alone but with solicitors, and, possibly a a junior, so that the litigant will be impressed, if not by the result, then certainly by the bill.

Barristers tend to believe that the higher courts are their monopoly from time immemorial — one which could be upset only by an Act of Parliament. This illusion was dispelled on 11 December last by Sir John Donaldson, the Master of the Rolls, in *Abse and Others v Smith and Radio Trent.*

Audience

At issue was whether the courts can implement the recommendation of the Royal Commission on Legal Services, that, where proceedings are formal and unopposed, the solicitor should have a right of audience, if indeed the matter cannot be dealt with by letter or telephone.

Sir John said that the collective of High Court judges, or the collective of the Appeal Court judges, could change the present practice and admit solicitors for some or all business of either court if they thought this was in the public interest. The barristers had no monopoly of audience.

The judges, who all started as barristers, are unlikely to think that a radical change would be in the public interest, but unless the Court of Appeal is reversed by the Lords, the solicitors have their foot in the door. Public pressure might ultimately convince the judges that they should let them in.

For a while we will still have to put up with the make-believe that bewigged judges and barristers are very superior 18th-century gentlemen and that it takes weeks to explain the simplest thing to the ghosts of an illiterate jury, long removed from civil courts; and that justice would suffer if they allowed new entrants to practise outside the historical chambers, whose inelastic floor space so conveniently keeps their numbers small and their fees high.

Reality

The reality is vastly different. The big firms of City solicitors do increasingly without barristers. They have lawyers on their staff who can look after their court business which is mostly in chambers. Others will follow their lead.

Many barristers see no reason why they should continue to be approached only through solicitors as the present rules of the Bar want it. They want to have, and many do have, direct contact with big clients, accountants, insurance companies, and banks. There *is* no reason why they should not employ assistants to look after their paperwork, instead of giving a fat cut of their fees to impresarios — posing as clerks. They want to be allowed to advertise and they will be, to keep step with solicitors.

Whatever the judges may now think, competition will bring about rationalisation, removal of medieval barriers and reduction of legal costs. Even the wigs may go!

**A'Beckett's Comic Blackstone, a reprint by Southampton Ashford Press.*

Letters to the Editor

What is at stake in Westland

From Mr J. Egerton

Sir,—There seems to be widespread failure to understand what is at stake in the Westland controversy. If the United Technologies proposal is accepted, an American company will effectively acquire access to many products of research and development carried out by Westland and its partners in collaborative ventures. On the other hand, the policies of the United States Government will tend to prevent transfer of technology from America — as was demonstrated over the Soviet pipeline. This imbalance would lead to technical advantages for the United States both in military programmes and in associated commercial programmes. For this reason alone, there will be pressure to exclude Westland from European collaborative projects.

If Britain were to insist on the participation of Westland as a condition for British participation in European collaborative ventures, then other European Governments will be faced with the unenviable choice between shouldering a larger share of high research and development costs or accepting that Europe would be contributing to US technological know-how without reciprocity. Either way, the prospects for a viable European helicopter industry must suffer.

This problem only arises as a result of a US firm becoming an actor in the capital market funding Westland. If all the actors had remained European, then this interest would not have been threatened, even if the shareholders of Westland were to suffer the consequences of failure.

As long as no non-European actor entered the capital market, neither the Defence Secretary nor the participants in the European consortium had reason to intervene. It lies particularly ill with those who have advocated the efficacy of market forces and need to enforce market sanctions for failure when appropriate conditions apply to attack Mr Heseltine for responding when a significant British interest, namely the creation of a European defence industry, was threatened because of market failure.

Joseph R. S. Egerton.
Templeton College,
Kennington, Oxford.

A potential ally

From Dr I. Gailbraith.

Sir,—In his letter of January 2 ("A Potential Ally"), David Howell, MP, refers to the prevailing attitude in Brussels towards the Japanese as being "miserably ill-informed and out of date." I am afraid that the description might be better applied to Mr Howell, since in its resolution on "Europe's response to the modern technological challenge," dated October 8 1985, the European Parliament stated that it "wishes priority to be given to joint ventures with companies based in . . . eg Japan" and "points out the need for European coordination as regards co-operation with the US and Japan in technological research areas . . . free exchange of scientists, research workers and scientific findings." Malcolm Rutherford did imply a rather stronger alliance between western Europe and Japan, but we should at least recognise and support those in Brussels whose attitudes are more up-to-date and better informed than they are sometimes given credit for.

(Dr) Ian A. Galbraith,
Mackintosh International,
Mackintosh House, Napier Rd,
Luton, Beds.

Current cost accounting

From Mr D. Damant

Sir,—I was saddened to see the letter from Mr Edge-Partington, the chairman of Crown House (December 27), in which he criticises the recent policy statement by the accounting standards committee. This statement re-affirmed the committee's support for current cost accounting and proposed discussions to ensure a minimum disclosure requirement, if necessary with statutory support.

The theoretical and practical arguments in favour of current cost accounting are in fact overwhelming. The user of accounts needs, very obviously, up to date values for assets and up to date records of the flows of funds between cash and assets such as stocks. To suggest that these facts about a business can be adequately represented by incorrect valuations based upon historic prices (or on an average level of inflation for that matter) is so unconvincing that one can only be astonished at the tenacity with which the anti current cost position has been maintained. Some companies which oppose CCA are in fact very well run; if they have another method of handling price movements, they should disclose it; so far no useful alternative to CCA has been proposed.

As for the use made of the CCA figures by shareholders, such work that has been done shows that stock prices move in line with inflation adjusted and not historic cost figures. The behaviour of the market in, for example, 1973 is a clear demonstration of this since by that time the "doomsday machine," clearly discussed at that time in the Financial Times, was already beginning to work, destroying CCA profits while historic cost figures suffered very much less.

In the face of so much controversy, and so much indifference, the very greatest credit is due to the ASC for maintaining its position intellectually and for arguing for its practical implication by one means or another.

The chairman of Crown House is however right when he looks for some action from the Inland Revenue to accept inflation adjusted accounts as the basis for the calculation of corporation tax. The Sandilands committee—and in practically every respect the Sandilands committee proposed the right answer to these problems—recommended that a committee should be set up to examine how corporation tax could be levied on current cost as opposed to historic cost cash flows. Such a recommendation is still valid; and as the ASC points out the present period, with generally low inflation, provides us with the time to develop the solutions to accounting for higher inflation when it returns.

David C. Damant.
Quilter Goodison Company.
PO Box 216,
31-45 Gresham St, EC2.

Truly local broadcasts

From Mr R. Evans

Sir,—I write in response to B. A. Young's review of the listening year, in the "Weekend FT" of January 4. He has touched on a theme of great significance, in regretting the banality of national "phone-in" programmes: he rejects the current fashion for listener-involvement, with the conclusion that "listener accessibility is a phantom, except for the local stations."

Precisely. Local stations are different: it is local identity which counts. At local level, both radio and TV take on a vitality and freshness which is beyond the imaginings of "national" and "regional" programme planners. In south west Wales, we have a successful local commercial radio station, Swansea Sound, which generates a wide range of interesting local programmes, with extensive use of phone-in techniques. The medium develops and reinforces the strong sense of community which is characteristic of south Wales, and of many other regions. The same creativity and originality could be harnessed in the service of more local radio stations—and of local TV stations, if the Home Office would remove its blinkers.

With both our broadcasting systems effectively "nationalised," we have come to accept the banality which is its inevitable concomitant of such nationalisation; B. A. Young touches on that point. Professor Peacock, recently returned from Italy, was reported in the FT as asking why we should not have "city regional TV" along Italian lines: there is no reason whatever why we should not.

More truly "local" TV and radio would galvanise British broadcasting, in both the public and the private sectors, and generate a new momentum for the next 50 years. The tragedy is that all the appraisal systems are themselves so centralised, so "nationalised" (in *its true sense*) that B. A. Young's perception will not be understood. But I salute a perceptive writer nevertheless, for his most important perception.

Roger Warren Evans.
23 St Peter's Road,
Newton, Swansea.

All very amicable

From Mr R. Apsion

Sir, — Thanks to friendly computers, my cash-flow has improved.

Months after I retired from the Civil Service, its computer started to pay my full salary again, in addition to my CS pension, which comes from another computer, called Paymaster General.

When I notified CS computer, it took several months to stop the payments into my bank account, and had to get a human to ask for the money back, by letter.

The human told me that the error was triggered by a change of tax code signal from the Inland Revenue computer, and that, if I had not interfered, the payments would have continued indefinitely, with annual increments.

Eight months after my 65th birthday, and 11 months after I returned the forms, with certificates of birth and marriage, the Department of Health computer has failed to produce an old age pension book, relying on a human to send me giro orders, a week in advance.

Now, British Telecom tells me its computer will not be able to send last November's phone bills until the end of January.

Robert Apsion.
17, Ganghill,
Guildford, Surrey.

FINANCIAL TIMES

Thursday January 9 1986

US GROUP WITHDRAWS FROM HOSTILE TAKEOVER BATTLE WITH SIZABLE PROFIT

GAF drops Union Carbide bid

BY PAUL TAYLOR IN NEW YORK

GAF, the US special chemicals and building products group yesterday withdrew its $74 a share, or $5.1bn cash, bid for Union Carbide, the beleaguered US chemicals giant.

The move appeared to signal at least partial defeat for GAF in its bitterly fought, hostile takeover attempt, in the face of a panoply of anti-takeover defences thrown up by Carbide. These included a revised, massive $3.3bn share buy-back plan for 55 per cent of its stock and a sweeping asset disposal programme, including the planned sale of Union Carbide's consumer products division for $2bn or more.

However, GAF will emerge from the battle with a sizable paper and realised profit. GAF said yesterday that it expects to record a pre-tax first quarter gain of about $90m or $4.50 a share after-tax on the shares it will sell to Union Carbide under the share buy-back deal, valued at $85 in cash and paper. At the same time, GAF emphasised that it will still maintain its existing 10 per cent stake in Carbide by holding on to about 3.1m shares after the exchange offer is completed.

Wall Street has speculated that GAF's latest action may represent only a strategic withdrawal and that the company may return with a lower bid – or wage a proxy battle for control of Carbide – at a later stage. Mr Samuel Heyman, GAF's chairman and chief executive, appeared to leave open such a possibility yesterday declaring that "as Union Carbide's largest shareholder, GAF expects to retain its 10 per cent ownership interest ... and will determine its ultimate course of action in the light of events as they unfold."

Mr Heyman, who launched GAF's initial $68 a share takeover bid for Carbide a month ago, explaining the bid withdrawal, said: "GAF initially acquired Carbide shares because they represented an attractive investment opportunity. Now that Union Carbide has decided to pursue a programme similar to that contemplated by GAF and the market price of Carbide shares is reflecting these actions, we no longer believe it is in the best interests of our shareholders to compete against Carbide's own exchange offer."

Union Carbide's knock-out blow came last week when the company revised its earlier share buy-back plan for up to 35 per cent of its common stock, and announced plans to sell the consumer products division. Its brand name products include Eveready Batteries, Glad plastic bags and Prestone, Simonize and STP automotive products – businesses which together have a book value of $1.1bn and operating earnings of $226m on sales of $1.9bn in 1984. Union Carbide said earlier this week that it had already received enquiries from at least 45 companies interested in buying the consumer products division assets.

The group's revised anti-takeover defences were put in place after GAF proposed to further sweeten its hostile takeover bid by $4 a share to $78 a share – an offer that was conditional on a favourable Carbide response and in the event was never formally made. Earlier, Union Carbide had won a key endorsement of its anti-takeover defences from a New York Federal judge while moving rapidly to raise about $1.2bn by tapping its overfunded pension plan and selling off other assets.

Nevertheless, Union Carbide will emerge from the bruising battle a much smaller industrial company, heavily laden with debt and facing an uncertain future. It is overshadowed by the tens of billions of dollars of lawsuits filed in the wake of the Bhopal toxic gas tragedy a year ago which killed more than 2,000 people at its Indian plant.

In the meantime, GAF noted that it is sitting on realised and unrealised gains of about $200m on its 10 per cent Union Carbide stake. GAF had initially tendered all of its 6.73m Union Carbide shares under Carbide's exchange offer but said it withdrew 1.833m of these shares ahead of the deadline on Tuesday night.

Part of the reason for GAF withdrawing some of the shares from the exchange offer was to qualify for favourable tax treatment on its investment profits, which was only available to GAF if it ended up owning the same percentage of stock as before.

Union Carbide has already indicated that the $85 a share buy-back offer – comprising $20 in cash and the rest in paper – for 47.1m shares was substantially oversubscribed. As a result Union Carbide is expected to buy back only about 71.3 per cent of the shares tendered, including those offered by GAF.

GAF said yesterday that its projected investment gains on the sale of part of its Carbide holdings were based on its initial share stake acquisition price in June last year of $43.625 a share and that its entire position was acquired at an average price of $51 a share.

UK men still men; women still women

BY ROBIN PAULEY IN LONDON

IT'S OFFICIAL. Men are not only different from women but they also live and work in different ways, at least in Britain.

The best guide to the changing pattern of daily life in Britain, Social Trends 1986, is published today, illustrating through charts, graphs, tables and commentary the way of life and the different ways the sexes live their lives.

Women, for example, are consistently less able to pass the driving test, sexist driving examiners notwithstanding. Only 44 per cent pass first time compared with 54 per cent of men, a gap that has remained constant for several years. Women of all social classes watch more television than men and while more men are to be found spending their leisure time in the garden or doing house repairs (not necessarily voluntarily), women are more likely to be knitting or reading books. Although they go out in about equal numbers for meals, many more men than women go out for a drink.

Women are more likely to be absent from work through sickness and, on average, male full-time workers toiled for 42 hours in 1984 compared with 37 hours for women full-timers. Whether they are full-time employees or not, women spend more time than men on essential domestic work such as shopping, cooking and housecare, and have less spare time on workdays and weekends. They also spend more time asleep, which is perhaps not surprising in the circumstances. One consolation is that they live longer.

Many more women file for divorce than men – 130,000 women and 49,000 men in 1984 – and while men most often win their divorce cases on the ground of the wife's adultery, women most often win on the ground of the husband's unreasonable behaviour.

The trend of decline in cigarette smoking continues among both sexes, with only 17 per cent of professional men and 15 per cent of professional women smoking in 1984, but the rate of decline is slower among women, and in one group, semi-skilled manual and personal service females, the incidence of cigarette smoking rose slightly between 1982 and 1984.

Women are more likely than men to have no natural teeth, partly because more women survive into old age, but women are more conscientious about having regular dental checks.

The 1980s scourge of Britain, drug addiction, is affecting women less seriously than men, although there have been large jumps in the number of new addicts registered from both sexes. In 1973, 644 males and 163 females were registered, in 1981 the numbers were 1,607 males and 641 females. By 1983, 2,979 males and 1,207 females were registered and that leapt to 3,840 new male addicts and 1,575 new female addicts in 1984. New addict numbers are always highest in the 20 to 24 age group, and around 90 per cent of the new addicts in 1984 claimed addiction to heroin.

Men are clearly the nation's scoundrels, with nearly a third of all men born in 1953 being convicted of an indictable offence, excluding most driving and minor offences, by the time they were 28. The average prison population in the UK in 1984 was 50,300 (including only 1,600 women), and while Scotland has spare prison space, 43,300 prisoners were squashed into English and Welsh prison accommodation designed for 39,200.

For most of the free population, life improves, with more having their own home, more having a fixed bath and more people enjoying more consumer durables – except for the inexplicable blip showing a tiny decline in washing machines but a tiny increase in tumble driers in 1984, a reminder that statistics are best used as guides to trends and not as an exact science.

A new item in Social Trends indicates that 29 per cent of adults rate themselves as being in a "higher" social class than their parents. The parents' comments on such social self-assessment are not recorded.

Further details, Page 8

Pennzoil share prices see-saw on rumours

BY WILLIAM HALL IN NEW YORK

SHARES in Pennzoil, the medium-sized US oil company, continued to gyrate on Wall Street yesterday as speculation continued on the outcome of one of the most complex battles in corporate history.

Pennzoil shares slumped by almost $8 to $75¾ in early dealings after the news that Pennzoil's board had rejected an apparent takeover bid from Texaco. Shortly afterwards they once again soared to a new peak of $89, only to collapse within the space of minutes.

At 2pm, they were being quoted at $78, down $5 on the close on Tuesday when the shares soared by almost a third to $83 as speculation mounted that the two oil companies were about to settle their grievances resulting from a bitter takeover fight for Getty Oil in 1984.

Texaco has been found guilty by a Texas court of interfering with Pennzoil's plans to take control of Getty Oil. For more than a month, Texaco officials have been battling to avoid paying a $11.1bn damages award to Pennzoil and in recent days there have been persistent rumours that both sides were close to settling their differences.

But these were beginning to recede yesterday when developments included an announcement that both companies had agreed to a three year standstill agreement under which neither would acquire shares in the other.

Later, Texaco said it was filing a request for a new trial in the Texas State District Court in Houston and said it was once again pursuing its legal action against Pennzoil in the New York Federal courts. This last action is being sought to prevent Pennzoil from placing liens on Texaco properties or executing its judgment during the appeal process which Texaco is pursuing in the Texas courts.

Late on Tuesday night, Pennzoil had issued a brief statement saying that its board had "unanimously rejected a proposal by Texaco to terminate the litigation between the two companies." Pennzoil did not disclose details of the proposal but said that it had "repeatedly advised Texaco that this type of proposal is entirely unacceptable."

While both companies refused to speculate on the nature of Texaco's settlement proposals, Wall Street sources said yesterday that Texaco had offered to buy Pennzoil and issue 3.5 of its own shares for each of Pennzoil's 42.7m shares in a deal which would have valued Pennzoil at $4.6bn.

The belief that Texaco's settlement offer had been in the form of a takeover bid for Pennzoil was heightened yesterday following the announcement that both companies had agreed to a three-year share purchase standstill agreement.

Barclays to apply for share listing in Tokyo

BY ALEXANDER NICOLL IN LONDON

BARCLAYS is to become the first British company to apply for a listing of its shares on the Tokyo Stock Exchange, in an effort to broaden its shareholder base and establish a more prominent profile in Japan to back its businesses there.

The decision marks an important step in the development of an international market in shares, and towards greater investment in foreign companies by cash-rich Japanese pension funds and other institutions.

Only 21 foreign companies, mostly US-based and nearly half of them banks, are currently quoted on the Tokyo exchange. But other British companies, including British Telecom, are considering an application.

Mr Humphrey Norrington, a Barclays deputy chief general manager, said although no new shares were being offered to Japanese investors, "we do think that there will be a significant extension of our shareholding, and that Japanese investors will be solid owners."

Barclays wants its name to be better known in Japan, partly to support its establishment of a trust bank, or fund management concern there in the spring. Barclays de Zoete Wedd, the securities conglomerate being formed through the bank's acquisition of broking and jobbing firms, also hopes to win a securities trading licence in Japan.

The Tokyo listing is being sponsored by Nikko Securities, the leading trader of foreign equities on the Tokyo exchange. In order to meet listing requirements, it is expected to buy about 1m Barclays shares over the next few months and to place them with Japanese investors. Yesterday, in London, Barclays shares fell 2p to 457p.

Barclays' move is also important because it had previously not applied for listing on any foreign stock exchanges – although it is interested in a US quote. Some of Britain's biggest companies are listed in the US and on European exchanges. But clearing banks have not pursued that route aggressively, partly because it is difficult for a foreign bank to obtain a US listing.

Barclays shares will be quoted on the Tokyo exchange in yen. The application is expected to be processed by the summer.

Japanese investors have been net purchasers of foreign stocks for the past four years, and turnover in the foreign shares listed in Tokyo has been increasing dramatically. Foreign companies' interest in Tokyo listings is also expected to be spurred by the trend towards liberalisation of Japanese capital markets, including easier treatment for foreign companies with listings and greater access for Japanese institutions to foreign investments.

See Lex; Background, Page 18

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	12	54	Dubrovnik	S	10	50	Malaga	F	14	57	Salzburg	S	-2	28
Akrotiri	F	17	63	Faro	R	15	59	Malta	S	15	59	Seoul	S	-7	19
Algiers	C	14	57	Florence	C	8	46	Manila	S	29	84	Singapore	R	25	77
Amsterdam	S	-2	28	Frankfurt	S	-1	30	Miami	C	26	79	Stockholm	Sn	-8	18
Athens	F	15	59	Funchal	S	19	66	Milan	C	2	36	Strasbourg	C	1	34
Bahrain	S	21	70	Geneva	Sn	0	32	Moscow	C	-4	25	Sydney	F	29	84
Bangkok	S	28	82	Gibraltar	F	16	61	Munich	C	-4	25	Taipei	F	19	66
Barcelona	S	10	50	Guernsey	C	9	48	Nairobi	—	—	—	Tangier	C	13	55
Beirut	R	15	59	Helsinki	C	-16	3	Naples	S	13	55	Tehran	—	—	—
Belgrade	S	2	36	H. Kong	S	18	64	New Delhi	S	16	61	Tel Aviv	F	18	64
Berlin	S	-2	28	Innsbruck	S	-1	30	New York	C	-3	27	Tenerife	S	21	70
Biarritz	T	6	43	Inverness	C	3	37	Nice	R	5	41	Tokyo	S	11	52
Blackpool	C	1	34	Istanbul	F	9	48	Oporto	D	9	48	Toronto	C	-6	21
Bordeaux	F	9	48	Jersey	C	9	48	Oslo	S	-12	10	Tunis	S	13	55
Brussels	Sn	-1	30	Jo'burg	F	26	79	Paris	Fg	4	39	Valencia	F	13	55
Budapest	S	1	34	Las Palmas	S	21	70	Prague	Sn	-2	28	Venice	F	2	36
B. Aires	C	36	97	Lima	S	24	75	Reykjavik	F	3	37	Vienna	S	0	32
Cairo	S	19	66	Lisbon	C	15	59	Rio de J'o	C	29	84	Warsaw	Sn	-3	27
Cape Town	C	27	81	Locarno	F	2	36	Rome	C	10	50	Zurich	C	-1	30
Caracas	C	25	77	London	R	2	36								
Casablanca	C	17	63	Los Angeles	S	24	75								
Copenhagen	S	-5	23	Luxembourg	Sn	-2	28								
Corfu	F	13	56	Madrid	F	9	48								
Dublin	C	4	39	Majorca	—	—	—								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Sanctions call rebuffed

Continued from Page 1

to join in "comprehensive sanctions against Libya."

Mr Yasuhiro Nakasone, the Japanese Premier, said Tokyo had not yet decided how to respond to Mr Reagan's call but wanted to join in international efforts to combat terrorism.

The only positive response came from Australia, which has only negligible trade with Libya, where Mr Bill Hayden, the Foreign Minister, said his country would probably join the embargo because of its own vulnerability to guerrilla attacks.

Libyan Radio said the US policy decision was "tantamount politically to a declaration of war." Mr Ali Abdel-Salam al Tureiki, the country's chief official for foreign affairs, said the embargo would have little effect, adding that the 1,500 American citizens working in Libya were in no danger and would be permitted to stay if they wanted to.

Moscow offered support to Libya, which, it said was "being subjected to such crude, imperialistic pressure on the part of the US," in the words of Mr Mikhail Kapitsa, a Deputy Foreign Minister.

UK and Nigeria closer to normal relations

By Michael Holman in London

BRITAIN and Nigeria yesterday moved closer to a rapprochement in their strained relations when Mr Leon Brittan, the Trade and Industry Secretary, offered to begin talks on a new line of credit to Lagos to be activated when the country's debt rescheduling efforts were successfully concluded.

The offer was made in the course of his meeting with Professor Bolaji Akinyemi, Nigeria's Minister of Foreign Affairs, who is in London on a three-day official visit. Britain's Export Credits Guarantee Department (ECGD) suspended medium and long-term cover early in 1984 after Nigeria's failure to meet all its trade debts.

Nigerian and British officials see the talks, due to begin shortly, as evidence of practical UK support for Nigeria's tough new year budget. It outlined an external debt strategy that places a 30 per cent ceiling on debt service payments, and aims to reschedule medium and long-term debt without the usual precondition of an agreement with the International Monetary Fund (IMF).

Creditors will be asked by Nigeria to accept that the potentially far-reaching reforms set out in the budget, which include a cut in domestic petroleum subsidies, a pledge to introduce a "realistic" exchange rate for the naira, and measures to boost agriculture, provide the basis for economic recovery.

Prof Akinyemi, who held a second round of talks during the day with Sir Geoffrey Howe, the Foreign Secretary, and met Mrs Margaret Thatcher, the Prime Minister, for 30 minutes, said yesterday that he would be meeting officials of the Paris Club of leading creditor nations on June 17 to discuss rescheduling of government-to-government debt. The talks will be preceded by discussions over the new next months between Nigerian central bank and finance ministry officials and their counterparts in Western governments.

The Department of Trade and Industry said yesterday: "We believe that the process begun by the latest Nigerian measures has brought nearer the day when ECGD can resume medium and long-term cover for the important Nigerian market." Nigeria is Britain's largest trading partner in black Africa.

Debt rescheduling under the auspices of the Paris Club is normally conditional on an agreement with the IMF on an economic recovery programme. But Prof Akinyemi said yesterday that he "did not get the feeling that the IMF was an issue" when Nigeria's debt strategy was raised in two hours of talks on economic matters with Sir Geoffrey on Tuesday.

Relations between Nigeria and Britain have been strained since the two countries withdrew High Commissioners in the wake of the abortive kidnapping of Mr Umaru Dikko, a former Nigerian minister living in London, in July 1984. But Prof Akinyemi said yesterday that "UK-Nigeria relations are back on track."

Sir Geoffrey and Prof Akinyemi agreed at yesterday's meeting that there will henceforth be regular contact between them "on matters of common interest," the first time Britain has entered into such an understanding with an African country.

Speaking to a luncheon meeting yesterday of the Nigeria-Britain Chambers of Commerce, Prof Akinyemi urged businessmen to take up trade and investment opportunities in Nigeria, and promised that the Government would "honour Nigeria's genuine and verified international obligations."

Fed backs Volcker on 'junk bonds'

Continued from Page 1

certainly not designed to tackle this issue.

Opposition to the Fed within the Administration has been spurred by critics who argue that the central bank is artificially interfering and so distorting the free market for takeovers.

The central bank's critics have also maintained that even though the ruling only hits a narrow range of proposed takeovers directly, it will have the "chilling" effect of discouraging potential bidders from proposing acquisitions, fearing that the transaction will be affected.

They argue, too, that Wall Street will simply find new ways of evading the regulation. Mr Volcker himself conceded that foreigners making US acquisitions could probably sidestep the regulation.

THE LEX COLUMN

Sterling scores a point

Everyone seems to recognise the unstated law that base rates must rise in January; the only question is by how much. This time last year it took a 4½ per cent jump to bring sterling back within official limits, while in January 1984 a 1 per cent rise proved sufficient. The history books suggest that 1984 was the exception rather than the rule. On every other occasion since 1975 that base rates turned up a percentage point, the next move has also been upwards.

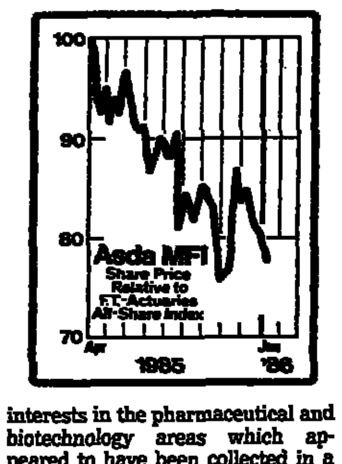
This may be no more than a statistical quirk but there are not many discount brokers willing to bet that the pattern of 1984 will be repeated in 1986. Sterling was no doubt discounting a 1-point rise in base rates even before yesterday's decisive action by the Bank of England – three-month sterling inter-bank was standing at 12½ per cent hours before the Bank moved into line – but the pound's response to the move was none too impressive for all that. Sterling made a worthwhile recovery against the continental currencies but its rise against the dollar was measured in fractions of a cent.

A serious weakening in the oil price could rapidly make a 1-point rise look woefully inadequate. By comparison with this time last year, when sterling's trade-weighted index stood at well under 73, yesterday's closing figure of 77.9 may look close to respectable. But exchange rate policy has changed more than a little since then and, to judge from Tuesday's bank lending figures, there is not much of a monetary justification for bringing down base rates either.

Swedish drugs

The reshaping of the Swedish pharmaceuticals industry, which finally made its official appearance yesterday, is a characteristically Swedish affair. Volvo is once again playing pass the parcel, this time with its holding in Pharmacia, which it will sell to the fast-growing Fermenta so long as Fermenta succeeds in its offer for Sonesson, in which Volvo also owns a stake. Sonesson in turn controls two other pharmaceutical companies which would then enter the Fermenta orbit. Simple, really.

The advantage to Volvo of this arrangement is that it brings together under the management of Sweden's hottest entrepreneur a portfolio of



interests in the pharmaceutical and biotechnology areas which appeared to have been collected in a rather haphazard fashion. Fermenta adds substantially to its fire-power and achieves through Pharmacia some vertical integration of product and production equipment in biotechnology. It also obtains for the first time a real marketing presence. The benefits for Pharmacia are less certain. Yesterday it described the Fermenta investment as stimulating, which could mean anything. Volvo's acquisition of its Pharmacia interest this time last year was followed in short order by a management shake-out; the last thing the company needs is more of the same.

Asda-MFI

Yesterday's interim results from Asda-MFI were no advertisement for the benefits of merging a food retailer and a kitchen-maker; but shareholders, who have had to watch the share price underperform the market by nearly a quarter over the past year, cannot have expected much better. Compared with last time's restated figures for the combined businesses, operating profits were a mere 3 per cent ahead for the six months to November, while the shift from net lender to borrower left the pre-tax performance all but unchanged at £72.7m.

Admittedly, neither company made much claim beyond management compatibility at the time of the merger last spring and neither Asda, in the throes of an effort to regain market share, nor MFI, which only just held its net margin after a poor first quarter, would have excited the market on its own. MFI buying and presentation skills may yet have something to add to Asda's original non-food businesses but, for the moment, two and two is still four.

As it is, Asda has begun to escape from its dangerous position as a food manufacturers' retailing arm whose price advantage has eroded to nothing. Yet however rapid the build-up of own-label products directed at consumers, the process will be as long and costly as the revamp of a dowdy range of stores; estimates of pre-tax profits for the year of up to £170m depend solely on MFI trading well on its increasing sales base. But then the market is not asking for even that: at 138p, unchanged on a bad day, the share price is rated at a multiple of 15 times earnings – an excessive discount to Tesco, let alone J. Sainsbury, both of which capitalise interest payments.

Barclays in Tokyo

Expense has often been cited as a deterrent to gaining listings on foreign stock exchanges. But for the price of one Eurobond salesman's annual salary, Barclays will be the first British company to have its shares listed in Tokyo; and the annual cost of maintaining the listing will be barely more than the pay of a young recruit at Barclays de Zoete Wedd.

The idea is to spread the ownership of Barclays shares more widely and to place the shares in longer-term hands. Diversified ownership can be a mixed blessing, as ICI has discovered. It has won an impressive US following through its New York listing, but finds the Americans to be vigorous churners of its shares. The Japanese, if they can be persuaded to buy Barclays, should be more faithful, judging by the experience of British Telecom, and the value must be on Barclays' side: it may be a case of apples and cherries, but none the less Barclays is on a p/e of around 8 and a yield of 5 per cent, compared with p/e's of 45 and yields of 0.5 per cent from the Japanese banks.

Even if the listing does not encourage Japanese buying, it should win Barclays a brownie point or two with the Japanese authorities. Both as a thank-you for being granted trust bank status and as a quid pro quo for BZW being given a securities licence, it should not go unnoticed.

هكذا من الأصل

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday January 9 1986

Swedish drugs groups in SKr 4bn – 5bn merger

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

AN INTERNATIONAL scale Swedish biotechnology and pharmaceuticals grouping is to be formed by Fermenta, Pharmacia and Leo in one of Sweden's biggest business deals, worth about SKr 4bn – SKr 5bn ($530m–$660m).

The grouping, which will have annual sales in excess of SKr 12bn ($1.6bn) is to be backed by Volvo, Sweden's largest industrial concern. Volvo is to take at least a 20 per cent stake.

In the first stage of the deal, which has stunned Swedish financial markets, Fermenta, the biotechnology and fine chemicals company formed only five years ago, is bidding to take outright control of Sonesson, the light engineering and pharmaceuticals conglomerate in an offer worth SKr 3.23bn ($425m).

Sonesson includes both Leo, the pharmaceuticals company, and Gambro, the kidney dialysis machines manufacturer.

Volvo currently owns 30 per cent of Sonesson and has accepted the Fermenta offer.

In a second stage, Fermenta will acquire a 40 per cent voting stake in Pharmacia, Sweden's second largest pharmaceuticals group, from Volvo and associated investment companies for more than SKr 1bn.

It is understood that Fermenta will later increase its holding to around 52 per cent of the votes and some 15 per cent of the Pharmacia equity, opening the possibility for Pharmacia to be formally consolidated.

The initiative for the deal was only taken last Friday in an approach by Mr Refaat El-Sayed, the 40-year-old chief executive and majority shareholder of Fermenta, to Mr Pehr Gyllenhammar, chairman of Volvo. The agreement has been completed in less than a week.

Fermenta has grown rapidly since it was taken over as a struggling fermentation plant at the end of 1981 by Mr El-Sayed, a mercurial Egyptian-born micro-biologist who first came to Sweden in the early 1960s.

He has enjoyed a meteoric business career and in four years turned Fermenta from an ailing producer of base penicillin with sales in 1981 of SKr 71m into a group with a market capitalisation of around SKr 7.5bn ($1bn) and expected 1986 sales of SKr 3bn – before the deal with Volvo was announced.

In the last few years Volvo has acquired several stakes in the pharmaceuticals and biotechnology sectors in the search for a new route to diversify, but before the deal with Fermenta it had failed to produce any overall strategy.

Mr Gyllenhammar admitted that certain questions could be raised about the speed of Fermenta's growth and about its ability to consolidate acquisitions and co-ordinate management and technologies.

He said, however, that the Volvo involvement would "legitimise" Fermenta in a new way," and that Volvo would take responsibility if anything went wrong.

Volvo has demanded certain safeguards, although Mr El-Sayed will continue to hold around 75 per cent of the votes in Fermenta.

Mr Gyllenhammar has been offered a place on the Fermenta board, and Volvo could take a total of three seats.

Gen. Dynamics delays merger

BY PAUL TAYLOR IN NEW YORK

GENERAL DYNAMICS, the embattled US defence contractor, yesterday postponed its planned merger with Cessna Aircraft because of the Pentagon ban on General Dynamics receiving any new federal government contracts imposed early last month.

Earlier this week the St Louis-based group announced that it had purchased 18.9m shares, or over 95 per cent of Cessna stock, under its $30-a-share or $670m tender offer launched last September.

General Dynamics had planned to complete the merger yesterday, converting Cessna's remaining 840,000 outstanding shares into the right to receive $30 in cash for each share and making the light aircraft manufacturer a wholly owned subsidiary.

However, the company said yesterday that, with Cessna's management agreement, it would now purchase Cessna shares in the open market or in privately negotiated transactions and would postpone the merger until some unspecified date.

The postponement is the latest in a series of setbacks for General Dynamics, the third largest US Defence contractor, which has been dogged by controversy over its accounting and other contract practices in recent years.

It is also an indication of the challenges facing Mr Stanley Pace, the 64-year-old former TRW vice chairman.

Eastern board faces challenge

By Our New York Staff

THE FUTURE of Eastern Airlines, the Miami-based US carrier run by ex-astronaut Mr Frank Borman, is again being called into question as the powerful machinists' union launched a campaign yesterday to "bring about a change in the top management."

The call by the machinists, whose leader, Mr Charles Bryant, sits on the Eastern board as part of a previous reorganisation which gave the unions about 20 per cent of the airline's stock, follows intensifying discussions about new wage concessions.

The airline has been seeking salary reductions of about 20 per cent, changes in work rules and a two-tier wage structure that would give lower pay to newly hired employees.

These savings are required, the carrier says, in order to meet requirements set by lenders to keep Eastern out of default.

Mr Borman yesterday denied that the company was intending to act on a confidential report leaked to the press that had recommended far more draconian wage cuts than had previously been considered and a resort to bankruptcy proceedings under Chapter 11 if the unions did not agree to the concessions.

Taken together, the various moves seem to indicate a renewal of a power struggle at Eastern, where Mr Borman's tenure was threatened two years ago and where the return to profitability achieved early last year now seems difficult to maintain.

In its bulletin to members, the machinists' union said that it was not calling for a revolt against "management and all managers" and would continue to work to run Eastern in the right way.

Terry Dodsworth in New York examines problems facing TWA's new chairman

Icahn's tarnished Midas touch

OVER the past year or so, Mr Carl Icahn, the New York financier, has consolidated his reputation as one of the most astute members of the buccaneering fraternity of big-time Wall Street speculators.

By last September, when he swept to victory in the struggle for Trans World Airlines, the transatlantic airline, his stock was riding at an all-time high. Yet today, the Icahn glitter is rapidly fading, as investors have second thoughts about his entanglement in a group with frightening managerial problems.

The essence of the challenge facing Mr Icahn is this: TWA is haemorrhaging badly, losing money at twice the rate forecast when the original merger agreement was signed and demanding cash just to sustain its operations.

To go ahead with the deal, Mr Icahn has to borrow more money to keep the company afloat, while his option of retreat is virtually closed because he would sustain an estimated loss of at least $70m on his 52 per cent holding in the company – the shares have dropped back to about $14 from the average price of around $19 he paid for his stake.

So it looks as though he is stuck with the problem of managing the company back to profitability – poetic justice, his critics say, for an inexperienced manager who has never been sparing in his criticisms of American management.

"He has a real mess on his hands," says Mr Thomas Hyland, who follows the airlines for Standard & Poor's, the debt rating agency. "The losses in the company are bigger than expected, he has a deep morale problem and he needs a chief executive to run the company for him."

Mr Icahn's problems have descended on him suddenly. When he reached agreement on a merger with the TWA board, he won virtually universal acclaim for a brilliantly executed takeover strategy.

He had managed to outmanoeuvre a rival bid from Texas Air by cannily buying shares in the market until he had a majority holding. All he had to do to complete a full-scale merger was to purchase the minority shares in an agreed $24 a share cash and paper deal.

In the meantime, Mr Icahn had taken steps to guarantee the future operating performance of the company by hammering out an unprecedented deal with the pilots' and machinists' unions to reduce their wages if his bid were successful.

The unions were willing to agree to this to escape from the clutches of Texas Air, run by the redoubtable Mr Frank Lorenzo, who cut wages sharply at Continental Air Lines two years ago. In return, union members were given rights to stock and profit-sharing in the Icahn-run TWA.

This neatly planned strategy has been shattered, however, by the group's unexpectedly large losses. Instead of a deficit for the year of $70m, TWA is now expecting something in the region of $140m – caused, it says, by a "significant slowdown" in traffic beginning in September, heavy fares discounting, and the adverse effects of terrorist activity on international business. It was a TWA airline that was hijacked to Beirut last summer.

This dramatic change in TWA's prospects made it more difficult to raise the cash to complete the merger. Mr Icahn was forced to switch from Paine Webber, his original investment banker, to Drexel Burnham Lambert, to raise the $750m he was looking for.

He then decided that the company was losing money so fast that he needed to conserve all the cash he could. The deal was recast, with Mr Icahn offering to buy out only half of the minority shares in an all-paper transaction and calling off the full-scale merger.

This means that the new TWA will start off with plenty of cash, but it will equally create an exceptionally highly geared airline company.

At the end of the first half of this year, according to Wall Street estimates, the company was carrying $1.3bn of long-term debt against $492m of common equity. Losses in the second half will have further reduced shareholders' funds while debt will rise towards $2bn,

Apart from walking this financial tightrope, TWA faces at least three other potentially unbalancing issues.

The first concerns management. Although Mr Icahn has tried to dismiss suggestions that he is desperately looking around for a new chief executive officer, virtually everyone connected with the deal insists that he has sounded out a number of top executives in the industry to persuade them to take on the challenge of TWA.

Mr Harry Hoglander, head of the TWA pilots' union and one of the architects of the agreement with Mr Icahn, is adamant that TWA needs new direction.

Second, TWA is running into a period where it must refurbish its fleet with more up-to-date, economical aircraft. Its existing fleet of 167 aircraft, mainly Boeing 747s, Lockheed Tri-Stars and Boeing 727s, is one of the oldest in the US.

Third, the company has a sizeable morale problem, caused by the months of uncertainty over the takeover and the constant threat of wage cuts. Analysts believe productivity has been seriously damaged by these uncertainties and that the decline in performance could be further exacerbated by the threat of a strike by air hostesses over the next few months.

Against these negative factors, Mr Icahn starts with a clean slate: a brief to do what he likes on the management side and a concessionary deal with the two most powerful unions which will substantially reduce the airline's costs.

Mr Hoglander says the agreement with the unions, which went into operation on January 3 when Mr Icahn became TWA chairman, will trim wages by 25 per cent. Savings for the 12,000 union members covered by the agreements could total around $500m over a three-year period. In addition, the wages of TWA's 10,000 or so non-contract workers and administrative staff are being cut unilaterally.

These actions could clearly lead to a further deterioration in morale. But Mr Hoglander points out that the unions entered into their contracts of their own accord and that they will share 7 per cent of any profits the company makes.

The two big unions appear to have few qualms about hitching their wagons to Mr Icahn's star, however faded it may look on Wall Street at the moment.

Over the longer term, the union strategy is based on the view that Mr Icahn will keep TWA out of the hands of Mr Lorenzo – a fiercely disliked executive among the union hierarchy – and eventually forge a merger with another airline.

They believe that the trend in the industry is towards larger units, that the current administration in Washington will not stand in the way of large-scale takeovers and that TWA is a prime candidate for linking up with another carrier.

If this analysis is right, Mr Icahn could still pull his irons out of the fire. TWA has a potentially highly valuable franchise on the Atlantic route, where it is reckoned to be the largest carrier, with around 55 per cent of the London-New York market and up to 70 per cent of the Paris–New York route.

The question is whether Mr Icahn can persuade anyone to take over the group on terms that would be favourable to him. A link with any of the larger US airlines would create a true monster, which would almost certainly leap to the top of the size league and offer the prospect of competing over a wide range of US domestic and international markets.

But for the time being, most of the potential purchasers or merger partners may want to let Mr Icahn sweat it out in the managerial cockpit, letting him have a taste of the problems he has so frequently lashed American management for rarely solving.

Hertie reduces deficit

By Our Financial Staff

HERTIE, the West German department store group, has managed to reduce losses for 1985 following a modest upturn in sales.

For 1984 group net losses totalled DM 146m. The deficit had been reduced by around a third for 1985, the retail group said yesterday.

No detailed earnings figures for 1985 were immediately available, but the company said in a statement that turnover had increased by DM 188m or 3.3 per cent to DM 5.87bn. For 1984 the group suffered a DM 373m drop in turnover.

Hertie invested around DM 100m in six new department stores and modernised 10 during 1985. The company cut the number of employees by 1,948 to 41,990.

Alsthom

DUE to a transmission error, an article in yesterday's edition stated that Alsthom's profits would fall in real terms in 1985. This should have read that the company was expected to report flat earnings in real terms.

European study into communications project

BY JASON CRISP IN LONDON

GEC Telecommunications is to manage and co-ordinate a technical study, involving 29 companies in Europe, into highly sophisticated broadband communications which may be needed in the latter half of the next decade.

The project, funded by the European Commission, is part of the RACE programme which also involves the largest national telephone network operators. The object is to develop, for the first time, European standards in telecommunications which will be agreed by both the operators and the manufacturers.

The companies involved in the project include most of the leading European telecommunications suppliers including Plessey, STC and Thorn EMI in the UK, CIT Alcatel in France, Siemens in West Germany and Italtel in Italy.

Several US companies are also involved, including ITT, through several of its European subsidiaries, GTE in Belgium and Philips/AT&T, the joint venture between the Dutch electricals group and the largest American telephone company. IBM, the computer giant with strong interests in telecommunications, is not part of the project.

The 29 companies from seven countries are to define the objectives and basis of technological co-operation in broad-band communications – a telephone system capable of carrying large quantities of information including high-definition television pictures.

The project co-ordinated by GEC is looking mainly at the customer equipment which could be used on such a powerful network and will consider both the technical problems and the potential demand for services.

The project which will receive 6m Ecus ($6.75m) from the European Commission is to be completed by the end of the year. It will be followed by specific research projects. The director of the preliminary study is Mr Mel Price, deputy managing director of GEC Telecommunications.

● GEC and Thomson, the French electronics group, have signed an important five-year agreement to co-operate in a specialist area of microchips. The two companies will jointly develop tools for designing high-performance "application specific" microchips, one of the fastest growing areas in the semiconductor industry.

This is the main thrust of GEC's semiconductor activites, and the two will act as a second source for each others products. Further co-operation in semiconductors is expected between the two.

● Semiconductor revenues of Inmos, the microchip subsidiary of Thorn EMI, fell 42 per cent last year, according to preliminary estimates by Dataquest, the Californian research firm.

Worldwide sales of Inmos fell from $146m in 1984 to $85m last year, Dataquest said. Plessey showed the greatest growth of the 10 leading European suppliers with sales rising 21 per cent to $99m. Philips-Signetics, the largest European semiconductur company, saw its revenues drop 19 per cent to $1.068m.

French insurer recommends Compagnie du Midi bid

BY DAVID HOUSEGO IN PARIS

THE TAKEOVER battle for control of the French Providence-Secours group has moved a stage further with the Providence board recommending shareholders to accept the bid by Compagnie du Midi, the holding group for Assurances du Groupe de Paris (AGP).

This offer values Providence shares at about FFr 2,000 ($270) each compared with FFr 766 a share when they were suspended from trading in mid-November and FFr 1,100 offered by the Axa group which launched the initial bid.

However, Paribas, the state-owned investment bank, which has a 25 per cent stake in Providence, disassociated itself from the board move. It said that both the AGP and the Axa bid would deprive Providence of its autonomy. But the immediate effect of the Paribas decision is to bring into the open the collapse of the shareholders' pact which had previously given Paribas and other management interests a controlling 53 per cent stake in Providence.

Among the Providence shareholders apparently ready to sell is the Schneider group which has 7.3 per cent of Providence.

Axa and Paribas have until February 2 to launch a counter bid. Providence shares are due to be re-quoted on the French bourse today.

Mr Bernard Pagezy, chairman of AGP, yesterday said that his bid had every chance of succeeding. Paribas, however, described the battle as still "open."

The Compagnie du Midi offer is on the basis of 7 AGP shares for 5 Providence. AGP shares have only been quoted on the unlisted securities market since the end of last year when 10 per cent was offered to the public. From an offer price of FFr 1,000 a share, AGP shares have been trading in recent days at between FFr 1,450 and FFr 1,500 a share.

Mr Pagezy said that this sharp rise reflected AGP's profit record and that there had been an absence of substantial insurance companies traded on the French bourse.

Steel products group files for Chapter 11

BY OUR NEW YORK STAFF

EASTMET, a Maryland, US-based manufacturer of stainless steel products, has become the latest victim of the poor conditions in the US steel market and filed for reorganisation under Chapter 11 of the US Bankruptcy Code.

Eastmet, which produces stainless steel plate, bar, sheet and strip for a wide range of industries, suffered a loss of $16m in the year to June 1984 and has been raising much-needed cash through asset sales.

Mr William Dausch, president, said: "It became clear as a result of negotiations with Eastmet's lenders that implementation of the business plan relating to the discontinuation of sheet manufacturing operations and the concentration of efforts on traditional plate operations could not be implemented without the protection provided under Chapter 11."

Mr Dausch added that the filing was required "to protect the company's business, employees and creditors and to provide the best opportunity to implement its business plan."

Eastmet had sales of $238.9m in the 1983–84 year. Its shares, quoted on the US over-the-counter market, closed at $1 13/16 on Monday, compared with $10 as recently as 1984.

Legal Notices

IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN

NOTICE IS HEREBY GIVEN that the Court has directed a meeting of the Depositors or other Creditors of BELL INTERNATIONAL LIMITED to consider a scheme of arrangement to facilitate the merging of the Banking business carried on separately by BELL INTERNATIONAL LIMITED and MANNIN INTERNATIONAL LIMITED to be held at Portland House, Station Road, Ballasalla, Isle of Man, at 12 noon on Wednesday, 29th January, 1986. A copy of the scheme and forms of proxy are available from BELL INTERNATIONAL LIMITED at Portland House, Station Road, Ballasalla, Isle of Man.

Proxies need not be Depositors or other Creditors.

Proxies should be lodged at the registered office of Bell International Limited at Portland House, Station Road, Ballasalla, Isle of Man not less than 48 hours before the time appointed for the meeting or handed to the Chairman o fthe meeting.

Walter Anthony Gilbey or, failing him, Robin Hugh Mackenzie have been appointed to act as Chairman of the meeting.

The scheme will be subject to the approval of the Court.

TIMOTHY MANN of Acorn House,
50 Athol Street, Douglas,
Isle of Man.
Advocate for
Mannin International Limited
and Bell International Limited.

Ka Wah Bank discloses details of China rescue

BY DAVID DODWELL IN HONG KONG

HONG KONG's ailing Ka Wah Bank confirmed in a brief statement yesterday that agreement in principle has been reached with China International Trust and Investment Corporation (CITIC) on proposals for a capital reconstruction that would make Citic the majority shareholder in the bank.

Mr Ian Boyce, head of East Asia Warburg in Hong Kong, which is acting as financial adviser to Ka Wah, yesterday could not confirm final details of the reconstruction. He said a further statement would be made as soon as possible, perhaps in two to three days.

Negotiations in Peking last weekend ended with Citic undertaking in principle to take a 90 per cent holding in the bank. The deal is likely to involve a reduction in Ka Wah's share capital and an issue of new shares amounting to around HK$350m (US$44.8m).

It is still possible that the Singapore-based Ko family, Peking-based HWA Jian Company, and Amex, the Dutch insurance and financial services group, may take small stakes in Ka Wah. These parties began discussions early in December with Ka Wah on a possible reconstruction. Ka Wah said yesterday that the deal with Citic supersedes these talks.

Ka Wah has been controlled by the Singapore-based Low family since 1975. It has 27 branches in Hong Kong, and total assets of about HK$6.4bn. It has been under pressure since June last year, when Hong Kong's Overseas Trust Bank (OTB) collapsed, only to be rescued by the Hong Kong Government at a probable cost to taxpayers of more than HK$2bn.

Several of the territory's small banks were hurt by OTB's collapse, but Ka Wah was more vulnerable than others, partly because it has a large number of possibly irrecoverable loans to financially troubled borrowers in Malaysia, and partly because it was heavily dependent on interbank credit. In July, the Hong Kong and Shanghai Banking Corporation joined forces with the Bank of China to provide "substantial" (though unquantified) standby support.

It recently became apparent to Hong Kong's banking authorities that Ka Wah was essentially bankrupt, with contingent liabilities cancelling all of its assets. The Government faced the embarrassing and destabilising choice between allowing Ka Wah to collapse, or bailing the bank out at taxpayers' expense, as it had been forced to do with OTB in June last year. The cost of this would have been about HK$1bn. An urgent search for a "big brother" to mount a rescue took them to Citic.

Brierley Investments shares rise further

By Dai Hayward in Wellington

SHARES OF Brierley Investments (BIL), the New Zealand master company of Mr Ron Brierley's rapidly growing financial group, closed at NZ$9.10 yesterday, compared to NZ$8.15 on Monday, in a spectacular surge of investor interest in the company.

The shares have been climbing steadily since November 13 last year when they were trading at around NZ$6, and enthusiastic buying continued throughout the traditionally quiet Christmas period.

Mr Paul Collins, the chief executive, points out that the company is not involved in any situation that would justify such a steep rise in the share price and says he does not like to see such drama surrounding its stock.

New Zealand investors appear, however, to believe that BIL will maintain its strong earnings performance of recent years in the future, while foreign buying is also thought to have been a factor.

Industrial Equity Ltd, the Australian arm of Mr Brierley's empire, recently showed a A$90m (US$62.5m) profit from the sale of its share in MLC, the insurance group, and is also currently engaged in a controversial attempt to gain control of Australian Gas Light Company, a New South Wales utility.

Last year BIL drew level with Fletcher Challenge, the forest products and building materials group, then New Zealand's largest company with a market capitalisation of some NZ$1bn (US$520m). The rise in BIL's share price in the past three months has since raised its market capitalisation to some NZ$2.53bn, and is estimated to have increased the value of Mr Brierley's personal holding to more than NZ$146m.

Japan plans tighter supervision of bank overseas branches

BY YOKO SHIBATA

THE Bank of Japan is to tighten its supervision of the activities of Japanese banks' overseas branches, in line with their rapidly growing international businesses.

Under plans being considered, from fiscal 1986 each overseas branch will face an inspection at three year intervals, instead of the present eight years. Thus, overall BoJ inspections in the US and Europe will increase to four a year from the present two.

Moreover, the overseas inspections, which have been carried out since 1978, are to be extended to cover Australia and Hong Kong, where of late Japanese banks have been opening branches in rapid succesison.

The first inspection will be at four branches of Japanese banks in Hong Kong from January 15. It will be carried out over three weeks.

BoJ inspections of each domestic bank has been carried out every two years—to monitor a bank's assets and investment asset management. However, of late, it has become difficult to grasp the actual state of bank management through monitoring domestic activities alone, because overseas branches have mushroomed, reflecting the banks' expansion of international businesses.

At top ranking Japanese commercial banks, overseas assets account for more than 40 per cent of their investment assets.

● Mitsubishi Trust and Banking Corporation, Japan's largest trust and banking company, will open two subsidiaries in New York later this year, AP-DJ reports.

Although final plans have yet to be worked out, the company said the first subisidiary, to be called MTBC Finance, will probably concentrate in factoring, leasing and commercial paper activities. It will probably be capitalised at around $10m.

The other subsidiary, Mitsubishi Trust and Banking USA will probably be capitalised at around $20m and is likely to concentrate on project and lease financing.

Go-ahead for Taiwan fund

TAIPEI — Taiwan has further liberalised its financial markets by allowing a security trust firm to raise funds locally to invest in the stock and money markets, the Finance Ministry announced.

International Investment Trust Company (IIT), a joint venture by nine foreign institutions and seven Taiwan banks, has launched its first domestic securities fund. Subscriptions of over T$300m (US$7.5m) have already been received from Taiwanese banks, according to Mr Robin Hall, IIT's president.

IIT plans to raise T$2bn by selling about 20m investment units this year. Each unit is initially priced at T$102.50.

IIT, which manages the Taiwan (ROC) Fund, has in the past three years raised US$81m from foreign investors

Reuter

Tung faces Y380m suit

HONG KONG — Toyo Menka, the Japanese trading house, has filed a Y380m ($1.9m) suit here against Mr C. H. Tung, the Hong Kong shipping magnate, and two of his privately held companies, Island Navigation Corporation and Alleppeg, over alleged non-payment for construction of a ship, according to court documents.

Alleppeg failed to pay an instalment of Y380m for a 79,999 deadweight tonne product carrier ordered in June 1983 at a price of Y7.6bn, the documents said. Mr Tung and Island Navigation acted as guarantors for the deal, according to the documents. A Tung group spokesman declined comment yesterday.

Toyo Menka agreed to build the ship for the Hong Kong company. Toyo Menka said in Tokyo that it wants to start talks on Island Navigation's repayment scheme for new ship-building finance.

Reuter

BankAmerica to shut outlets

SINGAPORE—Bank of America plans to close two of its four Singapore branches and reduce its staff in Singapore by around 100 employees, or 12.5 per cent, during the third week of January.

"This action is directly related to the bank's worldwide strategy of focusing on areas of business with high growth potential and to pare less profitable business units and activities," the bank said yesterday.

AP-DJ

'Freddies' distributes bulk of income at half-time

BY KENNETH MARSTON, MINING EDITOR

FREE STATE Development and Investment ("Freddies") is distributing the bulk of its income for the six months to December 31 in an interim dividend of 35 cents (9.8p).

As already announced the South African mining finance house intends to continue as a purely exploration concern and hive off its investments into a new company, DAB Investments.

The company says that the sum of the latest dividend together with the dividend to be declared in July by DAB Investments should be no less than the 75 cents total paid by "Freddies" for the year to last June.

In future DAB Investments will be the vehicle for the distribution of income earned by the investment portfolio which had a market value of R44m ($17.7m) at December 31.

Any future payment of dividends by the ongoing "Freddies"—shorn of its investments—will depend on how mineral rights can be turned to account, and is not likely for some time.

The restructuring of "Freddies" will be put to a shareholders' meeting on January 21. It envisages holders being given shares of DAB Investments on a one-for-one basis. Subsequently each 50 cents share of "Freddies" will be split into five shares of 10 cents. DAB Investments also intends to make a rights issue.

SEK well met in buoyant market

BY MAGGIE URRY

A SHARP RISE in the New York bond market on Tuesday pushed European bond markets higher yesterday. Trading was active in the Eurodollar market with prices around ¾ points firmer, providing a good background for Swedish Export Credit (SEK) to launch an issue. Syndicate managers expect more deals to materialise with US corporates likely candidates for money. While the secondary market was active, dealers said that most interest is still coming from professional rather than retail investors.

SEK's $100m deal, led by Daiwa Europe, follows a similar issue in December. The coupon was set at 9¼ per cent, and although the issue price is 101⅜ per cent, traders said that the above 9 per cent coupon should be attractive to investors now rates are slipping below that level. The bonds mature on October 10 1993 but a sinking fund operating from 1988 brings down the average life to 5.2 years.

The borrower is apparently not swapping the proceeds but on-lending the money in this form. With interest rates coming down SEK plans to refinance a large part of its debt as well as borrowing around $2bn this year.

The issue traded just inside the 1⅞ per cent fees at launch but moved up with the market to close around the 1¼ per cent selling concession.

Other new issues, such as Finland, Manitoba and Norsk Hydro, also made gains, though Paccar, a little known name in Europe, saw its deal lag the rise.

In the Yankee market Kidder Peabody set terms for a $150m 25-year issue for New Zealand. The coupon is 9⅞ and issue price 99½.

Two deals were launched in the floating-rate note market, both of which are expected to appeal to Far Eastern investors. Syndication of the issues is continuing today as the lead managers are inviting Japanese banks into the groups. The larger of the two is a $300m 15-year issue for Indonesia, which has put options after seven and 10 years and is non-callable for seven years. The coupon was set at 1/16 per cent above six-month London interbank offered rate (Libor) with issue price par, and fees total 55 basis points. Chase Manhattan, the book runner, quoted the issue at 99.50 bid, though the co-managers will own the bonds at 99.55.

The second floater was a $100m 15-year issue for Korea Development Bank which uses the "flip flop" structure. The issue will pay interest at ⅛ per cent above six-month Libor, but after three years investors can switch into a three-year note paying ⅛ per cent over the same rate. They can then flop back into the 15-year note.

Lead manager BankAmerica Capital Markets set fees of 140 basis points, reflecting the borrower's standing in the eyes of the market. No price was being quoted yesterday, though some paper was being placed at 98.75.

Away from the Eurodollar market, two issues appeared in the Euro-Australian dollar sector. Both offered yields well below domestic Australian government yields and are connected to swaps, thought to be into floating-rate US dollars.

Fiat Finance and Trade is raising A$50m through a three-year issue with a 14½ per cent coupon and 100½ issue price led by Deutsche Bank Capital Markets. Fees total 1½ per cent and the bonds were bid within that level. The name is well known among investors, though perhaps not as highly thought of as the top-quality bank borrowers which dominate the market.

Industriekreditbank, the German bank for financing industry, launched a A$50m issue with a lower coupon 14¼ per cent and a longer life of five years. Issue price is 100½ and the lead manager is Commerzbank. This was also trading inside its fees of 2 per cent.

In the Ecu sector, Chrysler Financial launched an Ecu 56m eight-year issue, also thought to be a swap. Salomon Brothers set the terms at a 9¼ per cent coupon and par issue price. It came late in the day and was quoted just within the 2 per cent fees.

No new issues were launched in the D-mark market once again, though the secondary market for foreign bonds rose by up to ½ point in hectic trading, inspired by the strength of the New York market and hopes of interest rate cuts.

The Eurosterling fixed-rate market was hit by the rise in base rates.

The Swiss franc foreign bond market is in good shape with prices up by around ¼ point. Hopes for lower interest rates and demand for stock from investors with New Year cash to spend has pushed yields down. So much so that Hokkaido Electric Power and Kyushu Electric Power both set 5¼ per cent coupons for deals, both led by SBC. More deals are expected with swaps for US corporates likely.

Hokkaido's issue is a SFr 100m five-year private placement and issue price was set at 100¼. Kyushu's deal is an eight-year public issue also for SFr 100m with the coupon still an indication at this stage.

Deals in the Euroyen dual-currency market are mostly expected to be placed in the Far East and trading in them in Europe is limited. Yesterday Chugoku Electric Power launched a Y15bn 10-year issue which will be redeemed in dollars at an exchange rate of Y179.9 to the dollar. The coupon is 7⅞ per cent and issue price 101⅞ per cent. Nikko Securities Europe is book runner.

Bayer in record DM 1.1bn rights issue

By John Davies in Frankfurt

BAYER, the West German chemical and pharmaceutical group, is raising DM 1.1bn ($450m) in cash in the country's biggest ever rights issue.

The one-for-14 issue, aimed largely at foreign investors, exceeds the DM 1bn rights issue by Deutsche Bank last November. After deducting costs, Bayer expects to add about DM 1.08bn to its financial resources.

New Bayer shares, with a nominal value of DM 50, are being offered at DM 240, compared with a closing value of DM 294.50 (up DM 2.50) on the Frankfurt stock exchange yesterday. They will be offered to existing shareholders and holders of warrants issued in association with Bayer bonds.

The new shares, open for subscription between January 24 and February 7, will qualify for the full dividend for 1986.

Bayer said the issue would help finance increased investment and cover the repayment of large-scale credit falling due.

The group plans to boost investment to DM 4.5bn during the next two years, compared with about DM 3.8bn in the last two.

Investment plans have been stepped up partly because Bayer is reaching capacity limits in some lines of business, as a result of the steady upswing in the chemical industry in the last three years.

With sales and profits buoyant last year, Bayer and the other big West German chemical groups, Hoechst and BASF, are all expected to announce a dividend increase shortly.

BASF embarked on a big capital raising exercise several months ago, with a one-for-14 issue to raise DM 760m in cash.

All the chemical groups, like many other listed West German companies, have a high proportion of foreign shareholders. A survey carried out for Bayer last August showed that 39 per cent of its capital was owned by foreigners.

Barclays seeks the benefit of Tokyo's relaxation

BY ALEXANDER NICOLL

BARCLAY'S decision to seek a quotation on the Tokyo Stock Exchange, announced yesterday, represents an important departure, particularly for a company which until now has applied to no exchange outside Britain. No British company has yet sought a quotation there.

The most obvious centre in which to seek new investors is New York. But Barclays has been hindered from obtaining a US quote by the restrictive attitude of the Securities and Exchange Commission towards foreign bank listings. It is still in discussions with the SEC.

Its decision to seek Japanese shareholders has been encouraged by liberalisation of the Japanese capital markets, making it easier for institutions such as pension funds to acquire foreign equities.

Mr Humphrey Norrington, a deputy chief general manager, said that in addition to broadening the shareholder base, "we hope to acquire a cachet and visibility in Japan which should be useful in our trust bank and in our ordinary banking operations."

Companies seek listings outside their home countries in order to broaden share ownership, to improve awareness and knowledge of the issuer in foreign markets—particularly so that its debt may be more readily accepted in those markets—and to aid the local business operations of the issuer by getting its name better known.

But foreign listings also have costs. At the outset, sponsoring banks and securities houses receive substantial fees, and there are continuing costs thereafter, for fees and expenses such as translation and reprinting of company documents.

Initial disclosure and continuing reporting requirements may be tougher—especially in the US—than in the issuer's home country. And a full-scale drive to capture shareholders abroad requires heavy efforts to keep investors informed.

Many of the world's biggest companies have been putting greater emphasis on investor relations as they seek to establish their shares in the growing worldwide equity market. This round-the-world market has to a large extent been developing away from stock exchange floors, leading some participants to question the need to seek formal listings.

Barclays clearly feels however, that the benefits will will outweigh the costs, which include an initial outlay of about £100,000 and continuing annual expenditure of perhaps £35,000.

A Tokyo listing has gained added attraction because the greater access of Japanese pension funds to foreign equities seems likely to switch greater emphasis to institutional investment in a market which has been oriented towards the small investor—one in five Japanese households invests in equities.

Pension funds are allowed to invest 10 per cent of their portfolios in foreign equities, but those which are listed on the Tokyo exchange do not count as foreign in this calculation. Furthermore, the tax treatment of Japanese investors' dividend income from foreign equities has just been improved

Turnover in foreign equities already listed in Tokyo, now numbering 21, has been increasing by leaps and bounds, and the exchange plans to extend the two daily half-hour sessions in foreign shares to an hour each.

Disclosure requirements for Japan are similar to those which Barclays must already meet in the US for debt securities. Japan has recently relaxed rules requiring accounts to be audited twice a year, and requiring foreign companies to have accounts audited by Japanese as well as their own accountants.

Benefits to Barclays in terms of Japanese shareholdings may be slow to accrue — though it must have 1,000 Japanese shareholders to obtain a listing. Despite all its European listings, ICI has identified holders of less than 1 per cent of its stock bought through those exchanges—though US ownership was boosted by a US listing and is now about 14 per cent.

Further liberalisation by Japan's MoF

BY YOKO SHIBATA IN TOKYO

THE JAPANESE Ministry of Finance is to extend the maximum maturity of both certificates of deposit (CDs) and Money Market Certificates (MMCs) to one year from the present six months, with effect from April 1 in response to strong US requests for expansion of the Japanese capital markets.

In moves to accelerate financiail deregulation the MoF will also raise, from the same date, raise the issue ceiling for both CDs and MMCs to 200 per cent of a financial institution's net worth from the current 150 per cent and will deregulate interest rates on time deposits of Y500m ($2.48m) or more.

The minstry will further liberalise interest rates on time deposits worth Y300m or more in September and those on deposits worth Y100m or more in the spring of 1987.

In October last year, the MoF freed interest rates on deposits of Y1bn or more.

Italy tightens state agency credit rules

By Alan Friedman in Milan

THE ITALIAN Treasury yesterday tightened controls on foreign borrowing by certain state credit agencies. The new regulations state that public credit institutions will, from today, be unable to borrow outside of Italy without a government guarantee against exchange rate risks.

Credit agencies likely to be affected include Crediop and Isveimer, both Rome-based. The tighter controls are seen in Italy as part of the Treasury's determination to avoid exchange rate problems connected with foreign borrowing by government agencies.

● The Treasury is to offer L2,000 bn of five-year certificates (CCTs) with an effective annual yield of 14.04 per cent, unchanged on the preceding issue, Reuter adds from Rome.

Mortgage deal for US insurer

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

MUTUAL BENEFIT LIFE, the US insurance concern, is raising $475m in the Eurobond market through a complicated four-part deal collateralised by commercial mortgages.

Led by Salomon Brothers, the package is part of a growing fashion for securitisation of mortgage business. It will help the borrower match its assets and liabilities and to liquify its portfolio of commercial mortgages for which, unlike residential mortgages, virtually no secondary market exists in the US.

The four parts of the deal give it a staggered overall maturity designed to match the cashflow from the mortgages which are being used as collateral. They are:

● A $115m, five-year 8½ per cent bond with an issue price of 99¾ and a sinking fund to give an average life of 3.3 years.

● A $194.5m, 10-year, 9⅜ per cent bond priced at 99¾ per cent with an average life of 8.2 years.

● A $99.7m, 12-year, 9⅝ per cent issue also priced at 99¾ per cent with an average life of 11.5 years.

● A 20-year zero-coupon issue with a redemption value of $456m priced at 14¾ per cent to give a yield of 9.89 per cent on a semi-annual basis. The zero-coupon structure was chosen for this maturity because of lack of investor demand for such a long-dated conventional issue.

An agreement by the borrower to repurchase or substitute with another loan any of the mortgages used as collateral which turn sour will enable it to obtain an AAA rating for the deal from Standard & Poor's, the US rating agency.

This will not only enhance the appeal of the issue to investors but also obviates the need for them to appraise the mortgage portfolio itself.

Based in Newark, New Jersey, Mutual Benefit is the 11th largest mutual life insurance company in the US with assets of $8.3bn at the end of 1984 but apart from a domestic commercial paper programme it has until now made no capital market borrowings.

The Eurobond market rather than the US domestic market was chosen for this package because accounting rules for mutual insurance companies are designed to demonstrate their ability to meet obligations to policy holders and are not easily compatible with Securities and Exchange Commission reporting requirements.

DOMESTIC BOND MARKETS

Tokyo closes sharply higher

THE YEN bond market closed sharply higher in line with the bullish futures market, where prices surged on expectations of a favourable US 20-year Treasury bond auction and renewed optimism over a US discount rate cut.

The yield on the bellwether 6.8 per cent 10-year government No 68 bond ended at 5.665 per cent against 5.720.

The No 78, the most qualified candidate to become the next benchmark bond, has been more acutely traded than the No 68 since late December. It closed yielding 5.570 per cent against 6.665 per cent.

In the short-term money market, where interest rates have been declining steadily, the Bank of Japan sold Y500bn of Treasury bills to absorb surplus funds.

Frankfurt active

Prices of public authority bonds rose by as much as 80 pfennigs in a very active session in Frankfurt after Tuesday's strong performance on the US credit markets.

The Bundesbank sold DM 109m of domestic paper against DM 60.3m on Tuesday.

The state of Lower Saxony issued a DM 400m 12-year, 6½ per cent domestic bond at 99 to yield 6.62 per cent but this and Tuesday's German reconstruction Corporation 10-year, 6½ per cent loan stock issued at 99 were both seen as termed far too tightly and were not quoted.

Zurich firmer

In Zurich domestic market interest concentrated on bonds with warrants. The 3½ per cent Gotthard Bank bond with warrants surged by 3½ points to 122.50 per cent, while the 2½ per cent Elektrowatt firmed 2 points to 106 per cent.

Domestic straights were steady to slightly firmer on moderate demand. The bond of the Mortgage Bank of Geneva (Hypo Genf) surprisingly picked up ¾ points to close at 102.50 per cent.

Solothurn Cantonal Bank launched a SFr 40m maximum 11-year bond with a 4½ per cent coupon and a 100.50 issue price. Payment is due February 10.

French state bond well received

The FFr 25bn two-tranche French state bond issue announced on Tuesday has been well recieved and the amount could quickly be raised to FFr 30bn.

Both the near 12-year and the 10-year tranche, carrying coupons of 9.70 per cent and 9.80 per cent, met strong interest. The longer-term tranche bears a detachable negotiable warrant which can be used to exchange bonds of either tranche for floating-rate paper.

Agencies

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

Closing prices on January 8

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Amev 10⅝ 92	100	104⅛	104⅝	+2	+2	9.45
Amex Credit 10⅞ 90	100	106¼	106¾	+1¼	+2⅜	8.97
Atlan. Richfield 10⅞ 00	250	101⅜	101⅞	+0⅝	+0⅛	10.06
Australia Com. 11 95	200	110⅜	110⅞	+0⅜	+0⅝	9.28
Australia Com. 11¾ 00	100	111⅜	111⅞	+0⅞	+1⅛	9.72
BP Capital 11⅛ 92	150	107⅞	108⅛	+0⅝	+1⅛	9.36
Campbell Soup 10½ 95	100	106⅝	107⅛	+1⅛	+1⅛	9.35
Canada 11⅛ 90	500	108⅛	108⅝	+0⅛	−0⅛	8.68
Canadian Pac. 10⅜ 93	100	107	107½	+1⅛	+1	9.33
Canadian Pac. 12½ 99	75	110⅞	111⅜	+0⅝	+0½	10.89
CEPME 10⅝ 91	100	104⅜	104⅞	+0⅝	+0½	9.05
Chevron USA 12⅜ 89	600	105⅝	105⅞	−0⅛	−0⅛	10.33
Citicorp 10 88	200	102⅛	102⅝	−0⅛	0	8.91
Citicorp 10⅝ 95	200	103½	104	+2⅜	+2⅜	9.98
Coca Cola 11⅜ 91	100	108½	109	+0⅜	0	9.68
Denmark Kgdm. 11⅛ 89	100	106½	107	+0⅜	−0⅛	8.79
Denmark Kgdm. 11½ 90	100	108⅛	108⅝	+0½	+0⅜	9.06
Denmark Kgdm. 11⅜ 92	100	109	109½	+0⅜	0	9.45
EDF 10 95	225	103	103½	+0⅛	+0⅛	9.45
EEC 9⅝ 90	350	102½	103	+0⅞	+0⅜	8.84
EEC 11⅜ 90	100	107⅜	107⅞	+0⅜	+0⅜	8.80
EIB 12 95	200	114½	115	+0⅜	+0⅜	9.52
Eli Lilly 10⅜ 92	150	106⅛	106⅝	+0½	+0⅜	8.91
Export Dev. Cpn. 10 90	100	104½	105	+0⅜	+0⅜	8.63
Export Dev. Cpn. 12 89	100	109⅝	110⅛	+0½	+0½	8.78
Fed. Dep. Strs. 10⅝ 95	100	104	104½	+0⅞	+2⅜	9.41
Ford Motor Crd. 10½ 91	150	104⅛	104⅝	+0⅞	+0⅜	9.45
Ford Motor Crd. 11⅜ 90	100	106⅛	106⅝	+0⅛	+0⅜	9.42
Ford Motor Crd. 12 95	100	109	109½	+0½	−0⅛	10.37
Gen. El. Cred. 10⅜ 00	200	104	104½	+0⅜	+0½	9.88
GMAC 10⅜ 89	200	104⅛	104⅝	+0⅛	+0⅜	8.63
GMAC 10⅜ 92	250	103⅝	104⅛	+0⅜	+0⅜	9.44
IADB 10½ 95	150	106⅛	106⅝	+0⅜	+0⅜	9.45
IBM Credit 10⅜ 2000	300	†104⅜	104⅞	+0½	+0⅜	9.75
Kellogg Co. 10⅞ 90	100	105⅛	105⅝	+0⅛	+0⅜	9.17
Kellogg Co. 11⅜ 92	100	107	107½	+0⅜	+0⅜	9.61
LTCB 12⅞ 91	100	115	115½	+0⅞	+1⅛	9.34
Mitsui Trust 11⅜ 90	100	†107	107½	+0½	−0⅛	9.52
Nippon Cr. Bk. 10⅜ 95	150	105⅜	105⅞	+0½	−0⅛	9.71
Pillsbury Co. 10⅜ 93	100	102½	103	+1	+0½	9.71
Pru Realty S. 12⅛ 95	546	111⅝	112⅛	+0⅜	+0⅛	10.04
Qantas Airways 10⅜ 95	140	106⅛	106⅝	+0⅜	+0⅞	9.32
Quebec Hydro 11½ 92	100	109⅜	109⅞	+0⅛	+0⅜	9.55
Queensld. Gvt. 10⅜ 95	100	105⅜	105⅞	+1⅛	+1⅛	9.38
Ralston Purina 11⅜ 95	150	110⅝	111⅛	+0⅜	+1⅛	9.89
Ralston Purina 12⅜ 89	100	110½	111	+0⅝	+0⅜	9.21
Saskatchewan 10⅜ 92	100	107⅛	107⅝	+0½	+0⅞	9.12
Saskatchewan 11⅞ 89	100	109⅛	109⅝	+0½	+0½	8.84
Statoil 10 90	170	104⅛	104⅝	+0½	+0⅜	8.77
S. Wales Trsy. 11⅜ 90	150	109⅛	109⅝	+0½	+0⅜	9.00
Swed. Exp. Cred. 10 92	100	103⅛	103⅝	+0⅜	+0⅛	9.23
Sw. Ex. Cr. 12⅜ 89 XW	100	109⅜	109⅞	+0⅜	+0⅜	9.48
Sweden Kgdm. 10⅞ 90	200	107	107½	+0⅜	+0⅜	8.77
Sweden Kgdm. 11½ 89	200	108⅜	108⅞	+0½	+0⅜	8.80
Sweden Kgdm. 11⅜ 94	100	111	111½	+0⅛	−0⅛	9.80
Tenneco Cpn. 10⅜ 95	150	105⅛	105⅝	+2⅜	+2⅜	9.83
Texaco Capital 10 95	300	†86	86½	+0⅜	+2	12.51
Utd. Tech. Fin. 10⅜ 95	100	104⅝	105⅛	+0⅜	+1⅛	9.80
Victorian Rep. 11⅜ 92	150	109⅜	109⅞	+0⅜	+0½	9.50
World Bank 10⅜ 95	300	105⅛	105⅝	+0⅜	0	9.22
World Bank 12⅞ 94	200	118⅝	119⅛	+0⅜	+0⅞	9.55

Average price changes... on day +0⅜ on week +0⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Asian Dev. Bank 8 94	200	*†106½	107½	0	−0⅛	6.89
Austria Republic 7⅜ 94	200	*†104½	105½	0	0	6.80
Baxter Travenol 7½ 94	200	*†101½	102½	−0⅜	0	6.92
Copenhagen 7⅜ 95	150	*†101⅜	102⅜	+0½	0	7.10
Credit National 8⅜ 94	200	*†106½	107½	−0⅜	0	6.98
Dow Chemical 6⅜ 95	300	*†101	102	+0⅞	+0½	6.53
EIB 7⅜ 94	300	*†103⅜	104⅜	0	+0½	6.68
ESCOM 8 92	150	*†93⅜	94⅜	−0⅜	+0⅜	9.35
Ex.-Im Bk. Korea 7⅜ 90	100	*†100⅜	101⅜	+0⅜	+0½	7.40
Ferrovie Dello St. 8 91	100	*†104⅜	105⅜	−0⅜	+1⅛	6.76
Finland Republic 7 92	200	*†101½	102½	−0⅛	−0⅜	6.59
Gould Int. Fin. 7⅜ 91	100	*†105	106	0	+0½	6.37
Ireland 8⅜ 92	150	*†104⅜	105⅜	−0⅜	+0⅜	7.16
Japan Fin. Cpn. 7⅜ 91	100	*†104	105	0	0	6.61
Mtsbshi. H. 3½ 89 WW	300	*†165½	166½	−0½	−3	−11.89
Mtsbshi. H. 3½ 89 XW	300	*†93	94	0	−0½	5.76
Mtsbshi. M. 3⅜ 89 WW	100	*†104½	105⅜	+0⅜	−0⅜	1.87
Mtsbshi. M. 3⅜ 89 XW	100	*†89	90	+0⅜	+0⅜	6.20
Quebec-Hydro 7⅜ 95	200	*†102⅜	102⅜	−0⅜	−0⅜	6.75
Renfe 7⅜ 95	100	*†103⅜	103⅞	0	+0⅜	7.18
Soc. C. Nuclear 7⅜ 95	150	*†100½	101½	−0⅜	0	7.09
Soc. C. Nuclear 8 91	100	*†106	106	+0⅜	+0⅜	6.75
S. Africa Tran. 7⅜ 92	100	*†92	93	0	0	9.14
World Bank 7 95	600	*†102⅞	103½	−0⅛	+0⅜	6.56

Average price changes... On day −0⅜ on week −0⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Avon Cap. Cpn. 5⅜ 94	130	*†101⅛	101½	0	0	5.18
Br. Land Comp. 6⅜ 99	75	*†105	105⅜	+1	0	5.94
Council of Europe 6 92	120	*†103⅜	103½	+0⅜	+0⅜	5.40
Creditanstalt 5½ 94	100	*†100⅜	101	0	+0½	5.37
Deutsche Bk. 5⅜ 95	100	*†105½	105⅜	+0½	+0⅜	4.50
EIB 5⅞ 94	120	*†102½	102⅜	+0½	+0⅜	5.49
Gen. Occidentale 4½ 94	80	*†108	108⅜	−0⅞	+0⅜	3.30
Glendale F. S&L 5⅞ 95	100	*†89	89⅜	0	+0⅜	5.62
Ind. F. Finland 5⅜ 94	40	*†101½	102	+0⅜	+1⅛	5.50
Int.-Am Dv. Bk. 6⅜ 94	130	*†103⅜	104½	−0⅜	+0⅜	5.54
N. Zealand Steel 5⅜ 96	70	*†102	102⅜	+0⅜	+0⅜	5.40
Oberos. Kftwk. 5⅜ 95	100	*†102	103	−0⅜	+1⅛	5.02
Olivetti Intl. 5½ 96	100	*†101⅜	102	+0⅜	−0⅜	5.24
Pepsico 5⅜ 95	130	*†104	104⅜	−1	−1⅛	4.88
Ralston Purina 5⅜ 94	125	*†102⅜	103	+0⅜	+0⅜	4.96
Santos Finance 6 94	130	*†100⅜	101	0	+0⅜	5.87
Tokyo Elec. Pr. 5½ 93	120	*†102⅛	102⅜	0	+1⅛	5.06
Tokyo Metropolis 5⅜ 94	80	*†103⅛	103⅜	+0⅛	−0⅛	4.78
World Bank 5⅜ 94	150	*†104½	104⅜	+0½	−1	5.09

Average price changes... on day +0⅜ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Caisse Nat. Tel. 6⅜ 92	25	98½	99	+0⅜	+0⅜	6.48
Goodyear T. & R. 7⅛ 95	25	102½	103	+0⅜	+0½	6.71
Mt. Bk. Denmark 7 92	10	101⅜	101⅞	+0⅛	+0⅜	6.67
New Brunswick 7⅜ 95	10	103⅞	104⅜	+0⅛	+0⅜	6.52
Swed. Exp. Cred. 0 90	14	73⅝	74⅛	0	+0⅜	6.66

Average price changes... On day +0⅜ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Barclays Au. 12⅜ 90 A$	50	91⅛	92⅛	+0⅛	+0⅜	15.20
Creditanstalt 12⅞ 90 A$	50	95⅜	96⅛	0	−1⅛	14.12
Pepsico C. R. 13 90 A$	50	104½	105⅛	0	+0⅜	11.60
Swed. Ex. Cr. 13 88 A$	40	97⅝	98⅜	0	+0⅜	13.79
Amex 10⅜ 90 C$	50	103	103½	+0⅛	0	9.78
Canad. Pac. 10⅜ 90 C$	75	100½	101	−0⅛	−0⅛	10.14
CIBC 10⅜ 90 C$	75	†100	100½	+0⅜	−0⅜	10.65
Genstat Eln. 41⅜ 95 C$	75	104⅝	105⅛	0	−1	10.85
Montreal 11½ 95 C$	75	105⅛	105⅝	−0⅛	−0⅜	10.53
Sears Acc. 10⅜ 92 C$	75	†100⅝	101⅛	+0⅛	−0½	10.42
Winnipeg C. 10⅜ 90 C$	50	103⅞	104⅛	+0⅛	+0⅜	9.43
Chrysler F. F. 17 90 NS	65	96½	98	0	+2	17.81
KOP 16⅜ 91 NS	50	96⅝	97⅝	0	+2⅛	17.15
Kredtbk. Lux. 17 88 NS	70	99⅜	100⅜	0	+0⅛	16.78
Bayer Vms. 8⅜ 88 Ecu	60	101	101⅜	−0⅛	−0⅛	7.81
Chrysler F. C. 9 92 Ecu	75	98½	98⅞	0	+0⅛	9.30
Xerox Can. 8½ 90 Ecu	40	98⅝	99⅛	−0⅛	+0⅜	8.82
Honda WW 3⅜ 90 Fl	100	105⅞	106⅜	+0⅛	+0⅜	2.32
Honda XW 3⅞ 90 Fl	100	90⅝	91⅛	+0⅛	+0⅜	6.38
Thyssen 7⅜ 90 Fl	50	103⅜	104⅜	+0⅛	0	6.22
Wereldhave 7½ 90 Fl	75	102⅞	103⅜	+0⅛	+0⅜	6.70
Wessanen 6⅜ 90 Fl	50	101	101½	0	+0⅜	6.42
Mobil Cpn. 11⅛ 90 FFr	500	102⅜	103⅜	0	+0½	10.26
Amev 11 93 £	50	94½	95	−0½	−3	12.16
Australia Com. 11 92 £	40	98⅜	98⅞	−0⅛	−1⅛	11.83
EIB 11⅛ 93 £	50	96⅜	96⅞	−0⅜	−2⅛	11.85
GMAC UK F. 10½ 90 £	30	95⅜	96⅛	−0⅛	−1	11.69
Imp. Ch. Ind. 11⅛ 95 £	75	97⅛	97⅝	−0⅛	−1⅛	11.67
Imp. Ch. Ind. 10⅜ 92 £	75	94	94½	−1⅛	−2⅛	12.03
McDonalds 10⅞ 90 £	40	97⅛	97⅝	−0½	−1⅛	11.65
Mtsbshi. F. HK 11 90 £	50	96⅜	96⅞	−0⅛	−2	12.03
NSW Treasy. 10⅜ 92 £	50	93⅞	94⅜	−0⅛	−1⅞	11.91
Privatbanken 11⅞ 92 £	20	99⅜	99⅞	−0⅛	−0⅜	11.99
Rank Xerox 11 92 £	40	95½	96	+0⅜	−1⅛	11.97
Royal Ind. 10⅜ 92 £	60	93⅜	94⅛	−0½	−2	12.09
Tricentrol XW 11 92 £	35	91⅛	91⅞	−0½	−1⅞	12.98
Tsthse. Forte 11⅞ 90 £	50	97⅛	97⅝	−0⅜	−1	11.91
World Bank 11⅛ 95 £	100	97½	98	−0⅜	−1⅞	11.63
COE 8⅞ 95 LFr	600	98⅜	99⅛	0	−0⅛	9.02
N. Lux Al. 10½ 92 LFr	600	103⅜	103⅞	+0⅛	−0⅛	9.74

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Abbey Natnl. 5 2000 £	0¼	99⅛	99⅝	16/1	11⅛	11.43
B'kamerica O/S 5⅜ 96	0⅛	99⅜	100	30/3	8⅜	8.26
Bankers Trust 5 2000	0⅛	100	100⅜	11/3	8.31	8.30
BFCE 5⅜ 99	0⅛	100⅛	100⅜	13/3	8⅜	8.73
BNP 5⅜ 95	0.05	101⅛	101½	10/1	8.69	8.57
BNP 5⅜ 99	0⅛	100⅜	100½	22/3	8⅜	8.34
Britannia 5 93	0⅜	99⅜	100	8/1	11½	11.51
CCF 5⅜ 97	0	99⅛	99⅜	5/4	8.06	8.10
Chase Man'tn 5⅜ 2009	0⅛	100	100⅜	5/3	8.31	8.30
Citicorp 5 2035	0.225	99⅛	99½	27/1	8.23	8.28
Credit Lyonnais 5⅜ 96	0⅛	100⅜	101	11/4	8½	8.43
Credit Lyonnais 5 2000	0⅛	100⅛	100⅜	10/1	7.94	7.92
EEC 5 90	0⅛	99⅝	99⅞	8/1	7.94	7.98
ENEL 5 2000	0⅜	100⅛	100⅜	1/3	8⅜	8.35
Ireland 5⅜ 97	0⅛	100	100⅛	28/2	8.44	8.43
Lloyds Bank Perp	0⅛	100⅛	100½	9/6	8½	8.47
Man. Hanover 5 97	0⅛	99⅜	99⅜	22/2	8.19	8.25
Midland Bk. Perp. 5	0⅛	100⅛	100½	19/6	8½	8.09
NatWest Perp. A 5⅜	§0⅛	100⅛	100⅛	9/1	8⅜	8.23
NatWest Perp. B 5⅜	§0⅛	100⅛	100½	10/2	8⅜	8.59
R. Bk. Scotland 5 Perp.	0⅛	100⅛	100⅛	11/6	8.44	8.42
R. Bk. Scot. 5⅜ 2005 £	0⅛	99	99⅜	4/2	11⅜	11.85
Societe Generale 5⅜ 97	0⅛	100⅛	100½	18/3	8⅜	8.59
United Kingdom 5 92	0	100	100⅛	7/7	8.06	8.05
Woolwich 5 95 £	0⅛	99⅜	100	19/2	11.69	11.70

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1063	131⅛	132⅛	−0½	5.85
Comcast 7 2000	12/85	23.87	†114	115	+0⅜	23.53
Fanuc 3⅜ 98	1/84	7082	200⅜	202⅛	−0½	63.81
Fuji Hvy. Inds. 3 2000	8/85	676	93	94	0	2.77
Fujitsu 3 99	5/84	1320	102⅛	103⅛	−1⅛	11.00
Kumagai Gumi 3½ 2000	3/85	600	184	185½	+1⅛	13.79
Marui 3½ 99	7/84	1162	152⅞	153⅞	+0⅛	−1.00
Mitsubishi Bank 2⅞ 00	8/85	1788	100	101	0	−1.99
Mitsubishi Elec. 2⅞ 00	3/86	422	102⅞	103⅞	0	1.13
Murata 3½ 2000	7/84	2398	118⅝	119⅞	−2	16.46
Nippon Elec. 2⅞ 2000	1/85	1295	121⅛	122⅛	+0⅜	44.15
Nippon Oil Co. 3 2000	5/86	923	112⅛	113⅛	+0½	−0.64
OKI Elec. Ind. 3½ 99	10/84	905	101⅛	102⅛	−0⅛	1.83
Sekisui House 3 98	6/84	612	159⅜	161⅛	+1⅛	3.30
Sumitomo Bk. 2⅜ 2000	8/85	2142	97½	98½	−0⅛	2.86
Sumitomo Cpn. 2⅞ 99	5/84	593	145	146⅛	0	0.94
Taiyo Yuden 3⅜ 2000	3/85	1078	109	111	+1	0.07
Takeda Rkn. 3⅜ 2000	10/84	7663	98	100	+0½	11.29
Tokyo S'yo El. 3⅜ 99	12/84	772	105⅛	106½	+6	11.89
Toshiba Crmcs. 3 2000	4/85	1734	98½	99⅜	+0⅜	11.27
Nippon Oil 2⅞ 92 SFr	3/84	1052	*†100½	101½	−0⅜	16.57
Nippon Shn. 2 92 SFr	3/84	801	*†117	117½	+0⅜	12.46
Asics 5 92 DM	12/83	520	†107	108½	−0⅜	18.61
Renown 3⅛ 90 DM	3/85	676	*†105	106	0	3.09
Sum Realty 6⅜ 92 DM	2/83	338	*†419	420	−16½	−0.39

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for US dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

هكذا من الأصل

International Appointments

EMPLOYMENT CONDITIONS ABROAD LIMITED

An international association of employers providing confidential information to its member companies relating to employment of expatriates and nationals worldwide

Anchor House
15 Britten St, London SW3 3TY
Tel: 01-351 7151

Appointments Wanted

Responsible Senior Position IN TOKYO

Japanese with full working experience both in the City and Tokyo seeks senior management position with any banks, securities companies, etc, which plan to open Tokyo branch or representative office. Requires salary package of 12 million yen.

Write Box A0005, Financial Times 10 Cannon Street, London EC4P 4BY

FIELD LOGISTICS ADMINISTRATOR

15 years S.E. ASIA—INDONESIA
SEEKS TO REPRESENT
ACCEPT COMMISSIONS
POST SOUGHT
TEL: 03265-2518

OBU–BAHRAIN
Vice President–Marketing

A well positioned and expanding OBU in Bahrain seeks suitable, senior candidates for the position of:

Vice President — Marketing

Responsibilities will include the analysis and marketing of financial services and direct investment products throughout the Gulf, with overall management responsibility for a team of marketing officers. The position requires active involvement in the structuring of internationally related financial and investment products.

The candidate must be fluent in Arabic and English, and hold a university degree in business, economics or accounting. An MBA would be desirable. A minimum of eight years experience in commercial or investment banking with a strong financial analysis, marketing and management background is also required. Knowledge of U.S. tax and investment regulations would be a distinct advantage. The candidate should be prepared to travel extensively and should also have extensive experience and contacts within the Gulf.

Career opportunities and benefits are commensurate with the position offered. Please apply in writing, with a detailed curriculum vitae, to the Personnel Manager, Dept. VPMI, P.O. Box 726, Manama, Bahrain.

Replies will be treated in strictest confidence.

Schroders

FAR EAST EQUITIES
Japan, Hong Kong/SE Asia

Due to a sustained expansion in equity business in Far Eastern securities, Schroder Securities are seeking a number of sales people and analysts. The company is the international securities trading arm of the Schroder Group and has rapidly built a reputation for expertise in Far Eastern markets.

Applicants could range from those with 1 or 2 years experience to those currently holding senior positions. Competitive salaries and benefit packages are negotiable.

SALES

Sales people are required to join our London based Japanese equity team. Experience of this market, gained either from a broking or institutional background, is essential.

A second team based in London deals in Hong Kong securities and sales people are also being sought for this activity.

RESEARCH

We are also seeking analysts to be based in our Tokyo and Hong Kong offices to cover the respective markets. Tokyo based analysts will preferably have had several years experience of the Japanese market, but less qualified applicants with suitable language skills are also invited to apply. For those working in Hong Kong some additional knowledge of the Singapore and Malaysian markets would be advantageous.

Schroder Securities

Please telephone or write in confidence to John Anderson, Managing Director, Schroder Securities Limited, 9 Devonshire Square, London EC2M 4YL
Telephone: 01-623 3322 Telex: 8812281

FINANCIAL ANALYSIS AND PLANNING MANAGER
ACCOUNTING MANAGER
FINANCIAL ANALYST

One of our clients is a US "hi-tech" multinational in the sector of Data Entry and communications. The European headquarters is located in Frankfurt. Subsidiaries are located throughout Europe. Recent take over of another "hi-tech" company is the reason for the vacant positions. The candidates (M/F) we are looking for should be very dynamic and understand the atmosphere of a US "hi-tech" company. The right candidates could now be working in a similar type of company.

The positions

The vacant positions are in the Department of the Finance Director. We are looking for the following:

A. Financial Analysis and Planning Manager
(reference 1318 ME02 A)

The manager is responsible for the coordination and consolidation of financial plans, forecasts, analysis of actual results and preparation of monthly variance analyses. The right candidate should act as a deputy Director of Finance. University degree, preferably MBA with a major in Business Economics is required. Age between 35-40 years.

B. Accounting Manager
(reference 1318 ME02 B)

The manager reports to the Director of Finance and is responsible for coordination and consolidation of financial reporting on GAAP basis from European Subsidiaries for inclusion in corporate financial statements. The right candidate should have a CPA or equivalent. Age preferably around 35 years.

C. Financial Analyst
(reference 1318 ME02 C)

The Financial Analyst reports to the Financial Analysis and Planning Manager. The candidate will assist him in above defined duties, including economic review and capital expenditure reviews. A university degree is preferable. Age around 30 years.

Conditions

A good remuneration package will be offered for all vacancies. Removal allowances to Frankfurt, Germany are applicable.

Application procedure

Potential candidates are requested to send their application letter with a recent photograph and an extensive curriculum vitae, including detailed specification of their work experience, within 10 days after publication of this advertisement to:

Price Waterhouse Associates
P.O. Box 30439
2500 GK THE HAGUE
THE NETHERLANDS

Attn. Mr R. Caspers

All applications will be treated with the utmost confidence.

Management Consultants

Price Waterhouse Associates

SENIOR FINANCIAL ACCT.
INTERNATIONAL BANKING

BERMUDA Bd$50,000+ tax free package

A leading international Bermuda bank seeks to recruit an outstanding and accomplished individual. Suitable candidates will be qualified accountants, aged 28–35, with 5 years post qualification experience, preferably within financial services. Computer experience and management skills are prerequisite.

The position offers varied responsibilities from the compilation of consolidated financial statements through budgeting to MIS/accounting development work and staff control. The successful candidate will find this position offers opportunity and challenge in a stimulating environment.

For further details of this position please telephone Graham Palfery-Smith on 01-629 4463 during office hours. (01-697 6811 evenings and weekends). Alternatively write to him, enclosing a full career history, at the address below.

Harrison & Willis

Cardinal House
39-40 Albemarle Street
London W1X 3FD
01-629 4463

FINANCIALLY ORIENTED

GREENWICH ASSOCIATES, a leading international consulting and research firm in the financial industry, is expanding field operations throughout the United Kingdom, France, Spain, Switzerland, Belgium, Germany, Sweden and the Netherlands. We seek senior business professionals to act as part-time associates and join our organisation in conducting research interviews. Responsibilities will include: initial contact with identified key financial executives, arranging of appointments, and conducting the interviews.

Successful candidates should have:

- Proven years of experience in the financial industry
- Excellent communications skills
- An ability to function with minimum supervision

If you possess a well-rounded background, have available time, and a strong desire to stay active in the financial community, we are interested in speaking with you. (Must be conversant in English.)

Local interviews will be the week of February 3rd.

Please forward your curriculum vitae and a short note stating objectives to N. Berke

Office Park Eight
Greenwich, CT. U.S.A. 06830

GREENWICH ASSOCIATES Office Park Eight Greenwich CT 06830

A major pharmaceutical company with headquarters in Switzerland wishes to appoint a

MARKETING MANAGER

to its organization in Cairo

The person appointed will be expected to expand the company's base in Egypt, and candidates should therefore have extensive experience of both marketing and sales management, preferably in an international environment.

The company is in the ethical pharmaceuticals business and candidates, who must be of Egyptian nationality, should have a degree in pharmacy. They should also be fluent in English and, ideally, be between 35 and 40 years of age.

Applications, accompanied by a detailed curriculum vitae, should be addressed to:

Chiffre 5461/2 Publicitas International AG, P.O. Box CH-4010, Basle, Switzerland.

Young Overseas

Financial Controller

Why not spend 1986 in the sun! Our client is a British Multinational and has a vacancy, due to promotion, in its Middle East Sales office based in a pleasant and peaceful state.

Candidates, in their 20s, must be qualified accountants and capable of deputising for the G.M. Package includes a high tax-free salary and bonus. Other young accountant opportunities exist in the U.K. H.Q.

Please apply to Peter Barnett, Barnett Consulting Group Ltd., Providence House, River Street, Windsor, Berkshire SL4 1QT Telephone Windsor (0753) 855546, quoting reference no. 8488

Barnett Consulting Group

Company Notices

LEUMI INTERNATIONAL INVESTMENTS N.V.

US$20m Guaranteed Floating Rate Notes 1987 Series 'B'
(Extendible to 1990)

The interest rate applicable to the above Notes in respect of the three month period commencing the 9th January 1986 has been fixed at 8½% per annum.

The interest amounting to US$20.94 per $1,000 principal amount of the Notes will be paid on Wednesday 9th April 1986 against presentation of Coupon No. 22.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN PIONEER ELECTRONIC CORPORATION

EDR Holders are informed that Pioneer Electronic Corporation has paid a dividend to holders of record 30th September, 1985 of Yen 12 per Yen 50 Share of Common Stock and the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.

EDR Holders may now present Coupon No. 1 for payment.

Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid Affidavit of Residence in a country having a Tax Treaty or Agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A.R. of Egypt	F.R. of Germany	Malaysia	Singapore
Australia	Finland	The Netherlands	Spain
Belgium	France	New Zealand	Sweden
Brazil	Hungary	Norway	Switzerland
Canada	Indonesia	Poland	United Kingdom
Czechoslovakia	Ireland	Rep. of Korea	U.S. of America
Denmark	Italy	Romania	Zambia

Failing receipt of a valid Affidavit Japanese withholding tax will be deducted at the rate of 20% on the Gross Dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after 30 April, 1986.

Amounts payable per EDR of 1,000 Shares against Coupon No. 1.

Gross Dividend	Dividend less 15% Withholding Tax	Dividend less 20% withholding tax
US$59.76	US$50.79	US$47.81

Depositary: The Bank of Tokyo Trust Company, London.
Agent: The Bank of Tokyo (Luxembourg) S.A. Luxembourg.

9th January, 1986.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN OHTO COMPANY LTD.

Further to our notice of September 26, 1985 EDR holders are informed that Ohto has paid a dividend to holders of record September 30, 1985. The cash dividend payable is Yen 4 per Common Stock of Yen 50.00 per share. Pursuant to the Terms and Conditions the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.

EDR holders may now present Coupon No. 1 for payment to the undermentioned agents.

Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A.R. of Egypt	F.R. of Germany	Malaysia	Singapore
Australia	Finland	The Netherlands	Spain
Belgium	France	New Zealand	Sweden
Brazil	Hungary	Norway	Switzerland
Canada	Indonesia	Poland	United Kingdom
Czechoslovakia	Ireland	Rep. of Korea	U.S. of America
Denmark	Italy	Romania	Zambia

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after April 30, 1986.

Amounts payable in respect of current dividends.

Coupon No. 1 EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
10,000 shares	$200.00	$170.00	$160.00

Depositary: Citibank, N.A., 336 Strand, London WC2R 1HB
Agent: Citicorp Bank (Luxembourg) S.A. 16 Avenue Marie Therese

January 9, 1986.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN FUJITEC CO., LTD.

Further to our notice of September 20, 1985 EDR holders are informed that Fujitec has paid a dividend to holders of record September 30, 1985. The cash dividend payable is Yen 5 per Common Stock of Yen 50.00 per share. Pursuant to the Terms and Conditions the Depositary has converted the net amount, after deduction of Japanese withholding taxes, into United States Dollars.

EDR holders may now present Coupon No. 10 for payment to the undermentioned agents.

Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary or the Agent of a valid affidavit of residence in a country having a tax treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A.R. of Egypt	F.R. of Germany	Malaysia	Singapore
Australia	Finland	The Netherlands	Spain
Belgium	France	New Zealand	Sweden
Brazil	Hungary	Norway	Switzerland
Canada	Indonesia	Poland	United Kingdom
Czechoslovakia	Ireland	Rep. of Korea	U.S. of America
Denmark	Italy	Romania	Zambia

Failing receipt of a valid affidavit Japanese withholding tax will be deducted at the rate of 20% on the gross dividend payable. The full rate of 20% will also be applied to any dividends unclaimed after April 30, 1986.

Amounts payable in respect of current dividends.

Coupon No. 10 EDR denomination	Gross Dividend	Dividend payable less 15% Japanese withholding tax	Dividend payable less 20% Japanese withholding tax
1,000 shares	$25.00	$21.25	$20.00

Depositary: Citibank, N.A., 336 Strand, London WC2R 1HB
Agent: Citicorp Bank (Luxembourg) S.A. 16 Avenue Marie Therese

January 9, 1986.

COMPAGNIE INDUSTRIELLE DES TELECOMMUNCATIONS CIT—ALCATEL

Corporation organised under French law (Société Anonyme)
Capital: French francs 215,274,700
Registered Head Office: 12, rue de la Baume, 75008 PARIS (FRANCE)
Headquarters: 33, rue Emeriau, 75725 PARIS CEDEX 15
Trade register: R.C.S. PARIS B 542 102 322

SECOND NOTICE TO HOLDERS OF BONDS 10¼% 1980-1991 CONVERTIBLE INTO BEARER SHARES

The holders of international convertible bonds 10¼% 1980-1991 issued by the Compagnie Industrielle des Télécommunications C.I.T.-ALCATEL who were called for January 8, 1986, being unable to meet validly for lack of quorum, the bondholders are again called to an Ordinary General Meeting, at 37, rue du Rocher, PARIS 8ème (FRANCE) on January 21, 1986, at 3 p.m., in order to consider the same agenda as the one for the first meeting, that is:

—Approval, pursuant to article 196 of French law of July 24, 1966, of the proposal to be submitted to the shareholders at an Extraordinary General Meeting to renounce their preferential right to subscribe to debentures convertible into common shares.

To permit the bondholders to attend or to be represented at this meeting, the bonds or their deposit receipts, must be deposited at least five days before the date fixed for the meeting, at the offices of the banks having participated in the placing of these bonds and from whom proxies or admission cards can be requested

THE BOARD OF DIRECTORS

Contracts and Tenders

LLANFAIR PG—Isle of Anglesey, North Wales. Sale by Tender of the most famous rail station in the world. 2.7 Acre site offers an exciting opportunity for: Fast Food, Leisure/Amusements, Theme Pub, Licensed Restaurant, Cottage Industry. Date for Tenders: 16th January 1986. Grimley & Son. Tel: 021-236 8236.

Clubs

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-734 0557

SWITZERLAND

Lake Geneva or Mountain Resorts

Foreigners can buy lovely Apartments or Chalets with magnificent views, MONTREUX, VILLARS, VERBIER, LES DIABLERETS, CHATEAU D'OEX NEAR GSTAAD, LEYSIN.

Prices from SFr 125,000. Mortgages up to 65% at 6½% interest.

GLOBE PLAN SA
Av. Mon-Repos 24,
CH-1005 Lausanne,
Switzerland.
Tel: (21) 22 35 12 + (21) 20 89 07
Telex 25185 MELIS CH

Visits welcomed, also weekends.

UK COMPANY NEWS

ASDA-MFI flat profits confirm warning

BY MARTIN DICKSON

ASDA-MFI, the supermarkets and furniture retailing group, produced flat interim pre-tax profits yesterday in the company's first combined results since its creation in a £600m merger last April.

Taxable profits totalled £72.7m, against £72.59m in the same period of last year on a pro forma basis. The figures were slightly better than market expectations, following a warning by Mr Noel Stockdale, the chairman, at last October's AGM that the trading performance in the first half would be disappointing.

ASDA-MFI shares closed unchanged last night at 138p.

The figures, prepared on a merger accounting basis, show turnover during the six months to November 9 1985 rose by 7.7 per cent to £1.26bn but operating margins fell from 6.1 per cent to 5.85 per cent. Profit after tax was 43.9m (40.3m) and earnings per share were 3.86p (3.57p). There is an interim dividend of 1.25p (1.16p).

The main difficulties have been in hte Asda supermarkets division which producesd slightly lower operating profits of £43.03m (£43.45m) on turnover up from £874m to £961m.

However, Mr Stockdale said that in recent weeks an element of stability had been reached and the division could look forward to "some modest growth" in the second half.

Mr John Hardman, managing director of Asda stores, acknowledged that it had not responded perhaps as rapidly as it should in recent years to market changes, including the introduction by competitors of keenly priced own-label foods.

But he said this was now being resolved and a major review and reconstruction of Asda food ranges would mean the rapid introduction of some 2,000 own label products. This would start next month, with 1,000 products planned for 1986.

Asda opened only two new stores in the first half, and there will be two replacements in the second, its smallest programme for many years. However, 11 new store openings are projected for the next 15 months and the division is also planning to update many existing stores over three years. This would be along the lines of a pilot scheme at Leamington Spa, where, it said, customer reaction had been most encouraging.

The Associated Fresh Foods subsidiary produced operating profits of £6.49m (£6m). The group said its dependence on the Asda supermarkets, plus media publicity over animal fats, had had an adverse impact on sales.

MFI Furniture's operating profits were up 12.5 per cent to £22.55m (£20.05m) on turnover of £196m (£173m), while Allied Carpet Stores had profits of 3.47m (£2.79m) on sales of £47.2m (£41.8m). Subsequent sales had been even more bouyant.

Mr Derek Hunt, MFT's chairman, said Allied Carpets had opened eight new stores in the first half and planned a further six for the second.

MFT's new fitted kitchen range was selling well, while a pilot scheme in lighting, curtains and textiles was producing encouraging results. Six new stores opened during the 28 weeks, and the plan was to boost space by a further 500,000 sq ft by the end of April, giving a total of just over 4.7m sq ft.

The group's capital expenditure for the year will be about £150m, the bulk of it on new stores, which will involve "fairly substantial" borrowings.

See Lex

Mr Noel Stockdale, chairman of ASDA-MFI

Argyll extends offer for Distillers

By Charles Batchelor

Argyll Group, the supermarkets concern which is bidding £1.8bn for Distillers, the Scotch whisky group, yesterday extended its offer for a further three weeks after gaining acceptances from the holders of 2.72 per cent of Distillers' shares by Tuesday's first closing date.

Argyll received acceptances from the owners of 9.89m shares which, taken with the 4.61m, or 1.26 per cent, already owned by Argyll and its pension fund, took its holding in Distillers to 14.45m shares, or 3.98 per cent of the equity.

Argyll said it was very encouraged by the level of acceptances which was 10 times the number achieved in a number of recent bids at the first closing date.

Mr John Connell, Distillers' chairman, was dismissive, however, of the number of acceptances received by Argyll.

He said: "It is now more than a month since Argyll announced its offer. Despite the weight of documents that Argyll has sent to Distillers' shareholders, Argyll has failed to make any real progress with this offer.

"This is no doubt due in part to its complete inadequacy. It must also reflect shareholders' recognition of Argyll's lack of understanding of Distillers' international drinks business and of Argyll's failure to disclose any constructive plans for the future."

The two sides are still waiting for a ruling from Mr Leon Brittan, Trade Secretary, on whether the bid should be referred to the Monopolies Commission review.

Argyll is offering eight shares and 10 convertible preference shares and £14.50 in cash for every 10 Distillers' shares.

Shareholders throw future of Goal into confusion

BY DOMINIC LAWSON

THE FUTURE OWNERSHIP of Goal Petroleum, a UK oil explorer, was thrown into confusion yesterday following major manoeuvres by the company's dominant shareholders.

Morgan Grenfell and Energy Recovery Investment Corporation, which jointly hold 41 per cent of the equity, are planning to offer their stakes to bids from the oil industry. Any acquirer of the combined stake would be obliged under Stock Exchange regulations to make a full bid for the company, which is capitalised at about £25m.

Last month Goal launched a deeply discounted one-for-one rights issue to raise £10.3m cash. The company has a number of drilling commitments in the North Sea, but its chief asset is a 5 per cent stake in the Wytch Farm Oilfield, the largest onshore oilfield in Europe.

Morgan Grenfell is to take up its entitlement to 30.2 per cent of the rights issue. But yesterday, ERIC sold its nil paid rights — 11 per cent of the enlarged equity — through the market.

It transpired last night that the shares were bought by stockbroker Rowe and Pitman for a single buyer. It is felt that the buyer is an oil company, since Goal's stake in Wytch Farm is seen as a highly desirable asset within the industry.

The new holder of 11 per cent of Goal will now be able to take control of the company if Morgan Grenfell and ERIC go ahead with the plan of auctioning off their 41 per cent stake.

Rowe and Pitman have refused to disclose the identity of the buyer of the new shares, arguing that Stock Exchange disclosure regulations do not apply in the case of nil rights issue shares. The rights issue does not become fully paid until January 24.

A takeover of Goal would be the latest in a series of mergers and deals in the UK quoted oil sector. Last month, Petrofina of Belgium made an agreed £145m bid for Charterhouse Petroleum. An auction of a virtual controlling stake in Goal would most likely fetched a large premium over yesterday's unchanged share price of 38p. Stockbroker Wood Mackenzie estimate that the company's asset value, including tax benefits, could be as high as 111p per share.

Utd Scientific makes French acquisition

United Scientific Holdings, the UK-based defence contractor, has acquired the French electro-optics business, Sopolem, for FFr 13m (£1.3m).

Sopolem is one of the three largest such companies in France with some 90 per cent of its defence systems sold to the French armed forces.

Mr David Fraser, USH chief executive, said he had been negotiating this most significant deal for seven months. He stressed that it was very unusual for a foreign company to be allowed to buy a French company in this sector.

After long negotiations with the French Government USH has agreed to make 51 per cent of the company available to leading French institutions. Sopolem's last published results for 1984 show a profit of FFr 17m on a turnover of FFr 200m.

Tate and Lyle

Tate and Lyle has paid £130,000 compensation on termination of contract to Mr Michael Attfield, who had been responsible for sugar trading and resigned as a director last June.

Sharp profit decline at Bespak

CONTINUED reduced demand for valves from Glaxo and the problems associated with sales of filled fire extinguisher packs, has resulted in pre-tax profits at Bespak plunging from £1.38m to £56,000 in the 26 weeks to November 1 1985.

Mr R. H. King, the chairman, says sales to Glaxo were in line with predictions and will not go back to the very high levels of 1984, partly because of alternative methods of dispensing Ventolin, one of which is nebules.

He says the group, however, continues to make good progress with sales of other new products which have more than tripled compared with the corresponding period last year.

The filled fire extinguisher situation — despite the legal settlement with its main distributor — has not developed because of problems in the market place between this distributor and a new significent customer. As a result, few packs were sold, the filling line was shut, and only small quantities were despatched.

Mr King says changes are being made in the way in which the group directs its marketing and development efforts, and it is focusing its resources on the most important new developments which are expected to result in orders in 1986.

Steps have also been taken to reduce costs and improve productivity. In December, 53 redundancies were made and these affected all parts of the company, except tool design and tool making, where demand is high.

Mr King says the second half o fthe year will be markedly better than the first, but the cost of redundancies and other actions taken to reduce costs next year, will impair figures.

Turnover in the opening half was down from £6.62m to £5.1m, and operating expenses were £5.04m compared with £5.22m. Pre-tax profits were after share of associates profits down from £28,000 to £19.00 0and interest receivable of £268,000 £326,000). Interest payable totalled £293,000 (£371,000).

Tax was £10,000 against £231,000, leaving attributable profits of £46,000 (£1.15m). The interim dividend is unchanged at 1.75p net and absorbs £234,000 (£187,000). Stated earnings per 10p share were down from 10.4p to 0.3p.

● comment

Bespak's statement at the end of last September that an out-of-court settlement with its fire extinguisher distributor would mitigate the decline in first-half profits proved to be over-optimistic: further problems apparently arose with the distributor and produced a result which was every bit as bad as had been presaged at the AGM earlier that month. Nor is the second half going to provide an easy ride. Glaxo still creates good business and sales are marginally up, but they are never likely to return to their levels of 1984. The group believes there is a strong market for its fire extinguishers in the US and if it can sort its distribution problems, there could be a rapid improvement in profits. Set against this, however, will be the redundancy and reorganisation costs falling in the second half. There are other hopeful areas such as its second generation metering valves for pharmaceutical use, but these are looking to 1986-87 and beyond. For this year about £900,000 seems likely, putting the shares at 108p on a prospective p/e ratio of 19 after a 15 per cent tax charge. The market clearly believes that one day, some day, it will all come out right.

Hoggett Bowers improvement

WITH THE second half showing a 34.3 per cent increase, pre-tax profits for the year ended August 31 1985 at Hoggett Bowers have reached a record £756,000. There was marginal growth in the first six months, so the year shows an 18.3 per cent rise over the previous £639,000.

The group, an executive search and selection consultancy, is listed on the USM. It is paying a final dividend of 1p net for the year which makes a total of 1.5p.

Mr John Featherstone, chairman, tells shareholders of his confidence in presenting another set of record figures in 12 months time.

The group is to expand its recruitment advertising activities to handle external business, in addition to that generated within. It intends to increase the number of consultants further during the current year

Turnover in 1984-85 totalled £4.91m (£4.36m) on which was earned a gross profit of £1.5m (£1.38m). Tax takes £359,000 (£280,000) to leave earnings of 7.4p (7.2p) per share or 3.1p (2.9p) fully diluted.

Nimslo renegotiates sale

BY CHARLES BATCHELOR

Nimslo International, the troubled 3-D camera-maker based in Bermuda, has renegotiated last month's deal whereby it is to sell its North American professional portrait operations to CPI Corporation, a US photographic group.

CPI, a St Louis, Missouri-based company which runs most of the photographic studios in the Sears' store chain, will acquire the assets involved in the Nimslo business for 350,000 shares, worth about $7.4m (£5.1m), or the same amount of cash.

Previously CPI had agreed to buy the companies, Nimslo Corporation and Nimslo Professional Photographic Products, fo 450,000 shares. This would have involved a larger transfer of assets, hence the higher price.

Mr Graham Dowson, a Nimslo director, said the two companies realised after reaching last month's agreement that the deal could be done more simply by limiting it to a transfer of assets.

The basic assets to be transfered remain the same however, Nimslo said. They are 73 portrait studios operated by Nimslo in Sears stores, a 25,000 sq ft photographic processing laboratory and licence rights in North America for the Nimslo 3-D system for use in portrait photography.

Beazer lifts French Kier holding to 45%

C. H. Beazer yesterday increased its holding in construction group French Kier by 1.1m shares, taking its holding to about 45 per cent.

Further details were revealed of the inconclusive discussions between the two companies about a new management structure, Mr Brian Beazer, chairman of Beazer, said he had put forward proposals covering board and divisional level management structure and offered five French Kier directors, including Mr John Mott, the chairman, seats on the Beazer board.

Comtech stake

Tournesol, a Bermuda-based trust company controlled by Mr James Longcroft, chairman of Combined Technologies Corporation, has increased its stake in Comtech by 1.2 per cent to 7.98 per cent. Tournesol bought 900,000 shares at 10½p each taking its holding to 6m shares.

Comtech last month announced it made a pre-tax loss of £3m on turnover of £86.8m in the six months ended September 30 1985 following problems with Mnemos, its USM-quoted information system subsidiary.

Comtech's shares rose ½p to 11p yesterday.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Abbey Panels		1	Feb 20	0.75	2	1.5
ASDA-MFI	int.	1.25	Mar 3	1.15	—	2.75
Bespak	int.	1.75	Feb 25	1.75	—	4.25
Hoggett Bowers‡		1	Feb 25	—	1.5	—
Hollas Group	int.	1.1	Apr 1	1	—	2
M. & G. Dual		15.55	Mar 4	13.9	28.75	25.5
Pericom‡		1.3	Feb 21	1.3	1.3	2
Stroud Riley	int.	1	Mar 7	0.75	—	2.25
Trilion‡		0.3	—	—	0.3	—
Wardle Storeys		3.3	Feb 10	—	5	—

Dividends shown in pence per share except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Public Works Loan Board rates

Effective January 8

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	12⅛	—	—	12⅝
Over 1, up to 2	12⅛	12	11⅞	13⅛	13	12⅝
Over 2, up to 3	11¾	11⅞	11⅝	12⅞	12⅞	12⅜
Over 3, up to 4	11¾	11¾	11⅝	12¾	12¾	12⅜
Over 4, up to 5	11¾	11⅝	11½	12¾	12⅝	12¼
Over 5, up to 6	11⅝	11⅝	11½	12½	12½	12
Over 6, up to 7	11⅝	11⅝	11¼	12½	12½	12
Over 7, up to 8	11⅝	11½	11¼	12⅛	12	12
Over 8, up to 9	11½	11½	11⅛	12	12	11⅞
Over 9, up to 10	11½	11¼	11¼	12	12	11¾
Over 10, up to 15	11½	11¼	11	12	11¾	11¾
Over 15, up to 25	11	10⅞	10¾	11½	11⅝	11¼
Over 25	10⅞	10¾	10⅝	11⅜	11½	11⅛

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

هكذا من الأصل

WESTLAND plc SHAREHOLDERS

DO NOT ACCEPT THE UTC/FIAT PACKAGE UNTIL YOU KNOW THE FULL FACTS:

The Consortium's offer is better for your Company's future than the UTC/Fiat deal, because:

- **The financial terms are considerably better**
- **50% more work guaranteed to 1989**
- **Westland's long term independence assured**
- **Westland will have a major role in the European helicopter industry and its guaranteed markets**

YOU ARE ENTITLED TO CONSIDER BOTH PROPOSALS

Please complete the Green Proxy Form which you will be receiving from us in a circular. This will explain in detail the advantages of our offer.

Issued by
Lloyds Merchant Bank
on behalf of
British Aerospace, GEC,
Aerospatiale, Agusta, MBB.

UK COMPANY NEWS

Pericom returns to black in second half

A RETURN to the black in the second half gives Pericom a pre-tax profit of £506,000 for the year ended September 30, 1985, compared with £1.2m in 1983-1984.

A small loss was incurred in the first half. The pick-up over the year is in line with the directors' expectations and they are resuming dividends with a payment of 1.3p, after omitting the interim. Total for the previous year was 2p.

Mr Ron Cragg, chairman and chief executive of this Milton Keynes-based high technology group (listed on the USM), says the reorganisation during the year has provided the group with a platform for continuing growth.

"Our confidence in the future is endorsed by the results of the first two months of the current year which show a most encouraging trend. Production for the first quarter is well above the same period last year, and we have a satisfactory *order* book," he sys.

New products, he says, will continue to be introduced which will further enhance the group's reputation in the graphics market, while he is confident that the other subsidiaries will steadily increase their contributions.

The group has been restructured *into separate operating* companies, targeted its main line products towards the computer graphics terminal market, and put increased emphasis on international trade. Most of the costs associated with the new product range were borne in the first half, since when the group has been steadily improving profits.

Turnover in the year rose from £7.92m to £10.8m, with exports rising from 15 per cent to 28 per cent, and produced a gross profit ahead from £2.88m to £3.38m. However, substantially higher distribution, administrative, R & D and interest charges left the pre-tax profit well down.

After tax £335,000 (£504,000) earnings are shown at 2.3p (9.3p) per share.

● comment

The unexpectedly high costs which Pericom met in developing and launching the Monterey rangeof graphic terminals were, as predicted, confined to its first half, and with these out of the way the group experienced a strong resurgence in its second half which took the share price up 4p yesterday to 67p. The current year is likely to bring a substantial recovery. The MX 4000 colour graphics terminal was launched in October and two enhanced versions of it are due in the spring: these carry higher margins than the monochrome models. Meanwhile the US operations, which absorbed £186,000 in start-up costs in the second half of last year, has also been breaking-even since October. With the other smaller operations showing modest profits some £1.3m should be well within reach for the year, putting the shares on a prospective p/e ratio of 6 after a 35 per cent tax charge. On the short-term view the rating looks mean, but it reflects the market's understandable caution about the persistent vulnerability of hardware manufacturers.

Wardle Storeys advances to £4m

THE PURSUIT of higher value added business and strong cash management helped the Wardle Storeys group of specialist plastic sheet makers to raise its pre-tax profit by 27.6 per cent, from £3.15m to £4.02m, in the year ended August 31 1985.

A final dividend of 3.3p gives a total for the year of 5p net. The company returned to the stock market in November 1984 when shares were offered at 132p each. The original Bernard Wardle vinyl textile company was taken over in a management buy-out in 1982; and driven on by managing director Mr Brian Taylor it acquired Storeys Industrial Products—one of its main competitors—in February 1983 and has shown substantial growth.

Sales in the year were virtually unchanged at £40.49m. Higher value added business increased margins by two percentage points but restrained volume growth, the group explains. Strong cash management contributed to the profit growth and further improved liquidity.

The group continues to strive for increased margins by improving its productivity and efficiency, coupled with the expansion of sales of higher value added products.

The directors continue to follow the policies and objectives outlined in the prospectus.

An important objective is to expand in the UK and overseas by acquisitions. Several potential purchases have been examined but have failed to reach the group's criteria; a vigorous search programme continues and the strong balance sheet will enable the directors to move rapidly when the right candidate is found.

The group's basic business is in calendering (converting PVC to plastic sheet), with the remainder in the manufacture of higher value added products for the automotive and general industrial sectors—sun visors for *cars and a sound deadening* product Dedpan, soft plastics for prams and pushchairs, and awnings for stores.

Dedpan is now being delivered to the US and further export developments are expected.

In the year, the group made an operating profit of £3.82m (£3.28m) and enjoyed the benefit of £201,000 net interest receivable, against £136,000 paid. After tax £1.1m (£1.08m) earnings were shown at 19.1p (16.7p) per share.

● comment

Had it not been for an eight-week stoppage at Fords and the NCB strike, Wardle's profits would have been £200,000 higher. But a touch over £4m was up with expectations and much better than the market had anticipated when the company went public at the end of 1984. Operating margins have improved by an eighth on a wafer-thin increase in sales as the group sheds low-margin commodity plastic sheeting in favour of nursery products and laminates. Dedpan, the sound-proofing material, is breaking into the US car market—major UK customers are Rolls-Royce and Jaguar—and a couple of Japanese car manufacturers are close to signing orders. This year profits should top £4.7m and could touch £5m pre-tax, dropping the prospective p/e to a little more than 10 at 218p, a rating too concerned with plastic sheeting rather than the management's ambition to build a well-managed industrial conglomerate. There should be an acquisition soon worth £20m or so—net cash was £4.6m at year-end. The criteria of the potential targets (many have been looked at) are straight out of the Owen Green or Lord Hanson textbook of good management. If Wardle gets it right the shares are undervalued.

BOARD MEETINGS

TODAY

Interims: Sidney C. Banks, Electronic Rentals, Oldacre, John Perkins Meats, Stewart and Wight, Thorn EMI.

Finals: Associated Newspapers, Daily Mail and General Trust, Dewhurst and Partner, Valin Pollen International.

FUTURE DATES

Interims—

Armour Trust	Jan 13
British Bloodstock Agency	Jan 21
Copson (F.)	Jan 16
Restmor	Jan 20
Sommerville (William)	Jan 21

Finals—

Anglia Television	Jan 22
Appledore (A. and P.)	an 21
Bank Leumi (UK)	Jan 23
French (Thomas)	Jan 23
LPA Industries	Jan 21
Lookers	Jan 22
Southern Business Leasing	Jan 16

Hollas up to £561,000 at six months

FIRST HALF profits before tax from the Hollas Group have risen by 23.5 per cent, and the directors are backing the group's ability to sustain this by lifting the interim dividend from 1p to 1.1p net.

In the period to September 30 1985, the group, which is engaged in importing and distributing made-up garments, and merchanting and processing fabrics, yarns and fibres, lifted its turnover by 18 per cent to £14.61m, and its operating profit by nearly 28 per cent to £807,000. The pre-tax balance was £561,000 (£454,000).

The directors say the growth in profits reflects the improvement in conditions for all the trading companies, and continues to justify the investment made in reorganising the garment division over recent years.

Continued improvement has also been recorded by the yarn merchanting and processing division.

Tax takes £202,000 (£182,000) to leave the net profit for the half year at £359,000 (£272,000) for earnings of 1.4p (1p) per share. For the year ended March 31 1985 the group produced a pre-tax profit of £1.12m on turnover *of £28m, and paid a total* dividend of 2p.

M & G Dual

A final dividend of 15.55p by M & G Dual Trust gives a total of 28.75p per 10p income share for 1985, compared with 25.5p. Earnings are 28.71p (25.59p).

Main income comprises distributions from the M & G General Trust Fund, and these amounted to £2.36m (£2.1m). The tax charge is £707,759 (£630,679).

At the end of 1985 the asset value of the capital shares stood at £11.56 (£9.50).

SCOTTISH HERITABLE Trust has sold its entire 11.7 per cent stake in Bett Brothers following the earlier breakdown of takeover talks.

CU paying substantial bonus

WITH-PROFIT policyholders at Commercial Union Assurance are receiving substantial bonus additional on their policies following the 1985 bonus declaration by the company. In addition, terminal bonus rates paid on claims this year have been increased.

The net effect on policies currently maturing is a rise of almost 10 per cent on payouts, compared with those in 1985 for 10-year policies, and around an increase of one-third for 25-year contracts.

On assurances, CU is keeping its mainstream reversionary bonus rate at £5 per cent of the sum assured and 7 per cent of attaching bonuses.

The increase comes in the form of a substantial special reversionary bonus. The scale ranges from 20 per cent *of attaching bonuses for policies* taken out 10 years ago to 55 per cent for policies that have been in force at least 25 years.

In addition, the terminal bonus rate for assurances is increased from 17.5 to 20 per cent of the sum assured and attaching bonuses.

On self-employed and executive pension plans the main reversionary bonus rate is kept at £7 per cent of the basic benefit and £9 per cent of attaching bonuses. The special reversionary bonus, applied to contracts taken out before 1973, varies from 5 per cent of attaching bonuses for contracts effected in 1977 to 25 per cent for *policies* taken out in 1973 or earlier.

The terminal bonus rate is unchanged at 17.5 per cent of the basic benefit and attaching bonuses.

Mr Peter Ward, the company's UK divisional director, pointed out that with-profit policyholders had always received a high proportion of their bonuses in the form of guaranteed additions.

He felt that investors used with-profit contracts to provide growth with security

Stroud Riley recovers to £574,000

Stroud Riley Drummond, the Bradford-based worsted suitings and knitted fabrics manufacturer, has increased first-half taxable profits from a depressed £411,000 to £574,000 and is increasing the interim dividend for the first time in four years.

Mr Stefan Simmonds, the chairman, says the result reflects real volume growth and margin improvements in core businesses. "I am confident that the second half will continue to show similar improvements," he says.

The interim dividend is being lifted from 0.75p to 1p for the six months to end-September 1985. Earnings per share were higher at 6.72p (4.43p) after tax of £93,000 (£92,000).

Turnover was up from £7.45m to £10.1m. The recent decision to concentrate on specific market segments resulted in a maintained market position within Stroud's traditional menswear businesses while making gains in ladieswear and contract uniform businesses, says the chairman.

The only area that suffered was overseas trade, which was affected by the fluctuating pound and poor consumer demand in the Middle East, he says.

Trilion beats profit forecast

Trilion, the broadcasting and television production company, has beaten its profits forecast made when it came to the Unlisted Securities Market last July.

It made £677,000 in the year to September 30 1985, 2.9 per cent above its forecast of £590,000.

The result compares with £278,000 for the seven months to September 30 1984, and includes £34,000 from associates against £13,000 last time.

Sales were £5.8m, compared with £2.96m, and the dividend is 0.3p net, as forecast.

Tax amounted to £22,000, against £2,000, and there were minorities this time of £18,000.

Earnings per share were 6.9p, compared with 5.8p for the previous period when adjusted on an annual basis.

Mr William Hope, the chairman, said the company hoped to increase international television programme distribution by acquiring companies already operating profitably in the field.

Abbey Panels

Abbey Panels Investments, which makes major assemblies and components for the aerospace and defence industries, has increased its pre-tax profit from £493,000 to £842,000 in the year ended September 30 1985. The dividend is raised to 2p net (1.5p) with a final of 1p.

After tax £468,000 (£182,000) earnings came to 18.68p (15.55p) per share. There is an extraordinary £365,000 profit on the disposal of listed investments.

Hampton in joint venture

BY KENNETH MARSTON, MINING EDITOR

A JOINT venture is to develop a new A$9.8m (£4.7m) open-pit gold mine south of Kalgoorlie, Australia.

The partners are America's Newmont Mining and the UK's Hampton Gold Mining Areas and Hampton Trust, which owns the site.

Production from the mine, to be called the New Celebration Gold Mine, is expected to be reached in December. Annual output will average 40,000 oz over a 12-year life based on ore reserves of 5.9m tonnes grading 2.86 grammes gold per tonne.

These reserves have been established by the partners in exploration since 1981. Exploration is continuing in the area to assess the potential for further ore discoveries.

Newmont Holdings, a subsidiary of Newmont, will own 60 per cent of the mine, while Hampton Australia, part of Hampton Gold, will own 25 per cent and Martin Gold Mines, a subsidiary of Hampton Trust, will own 15 per cent.

● UK shareholders of Australia's Kia Ora Gold have been invited to exchange their Australian currency dividend cheques for sterling cheques for the 0.25 cents maiden dividend and avoid bank charges.

Kia Ora says that future dividends will be paid in sterling to shareholders outside Australia and anticipates "more substantial" payments. Gold production is running at 42,500 oz a year and at current prices net profits for the current year to June 30 are expected to be over A$3.5m compared with A$466,000 in 1984-85.

BUSINESS LAW

Bank secrets and US taxmen

TRANSNATIONAL criminal organisations — whether engaged in the conventional rackets of protection, extortion and prostitution, or in the more advanced forms of securities fraud and drug trades, or in providing mercenaries and terrorists for political causes — use multinational banks for laundering dirty money and for keeping it tucked away in tax havens.

Because all these organisations operate on the Mafia principle, it is extremely difficult to obtain evidence about them except by establishing who are the real beneficiaries of the proceeds of crime.

In this respect, the US authorities appear even more hamstrung than others by their criminal investigation procedures and rules of evidence. It seems that they are resigned to the use of a tax fraud investigation whenever they scent organised crime.

The US investigators, therefore, deserve great sympathy. However, in the pursuit of their prey, they often adopt a parochial and insensitive approach to other countries' laws, particularly those concerning bank secrecy. The idea that US citizens carry their law in their saddle-bags and that US law rules over bank accounts funded with US dollars, wherever located, seems natural in a union of states reaching from one ocean to another where state frontiers, never very visible, have been gradually deprived of most of their legal importance by federalist bias of the Supreme Court. This, together with the superpower complex, may explain why American lawyers, as the ancient Roman lawyers did before them, tend to view their law as universally applicable wherever US interests are concerned. Such attitudes are often viewed by other countries as insolent even if adopted for a good cause, and generate the now familiar extraterriality conflicts, of which that with Hong Kong is the most recent illustration.

The flow of cash between Hong Kong and US banks has multiplied tenfold in recent years and US investigators suspect that this reflects the movements of illicit funds into Hong Kong banks. They would like to crack the secrets of these bank accounts and they believe that a recent decision by Judge Arthur L. Nims in the US tax court may help them to do it. Some US enthusiasts even believe that his decision in the Hong Kong and Shanghai Banking Corporation tax case will not only open the door to foreign bank secrets but also provide access to records of multinational corporations in general.

Without access to accounts and documents located outside the US, the investigators must make do with financial statements and tax data provided by the company or its auditors. The *Hong Kong and Shanghai Banking Corporation* decision would give them authority to examine records in the headquarters of a foreign bank which has a US branch office.

Judge Nims tried to circumscribe his decision by excluding customer records in the headquarters of a foreign bank from inspection by the US tax authorities. He declared that the purpose of his ruling was not to enable the US revenue authorities to make a broad-ranging examination of the Hong Kong and Shanghai bank's tax affairs. However, the bank's attorneys fear that the decision would give the US authorities access to records containing highly confidential data of its worldwide bank business and suspect that the real nature of the proposed investigation is a general fishing expedition—that is fishing for evidence of tax fraud and other offences which are so far unknown and even unsuspected.

The exaggerated importance which US tax authorities seem to attach to Judge Nims's decision is in itself a sign of the universalist approach which assumes that US law reaches as far as US economic interests. This, however, is not the view of the Hong Kong courts. Its Court of Appeal made it clear in a recent decision that it would not allow bank secrets to be transferred from its jurisdiction at the request of US courts.

In *FDC Co Ltd v Chase Manhattan Bank** information wanted by the American authorities was located in the Hong Kong branch of Chase Manhattan and the American revenue authorities used the familiar shortcut: instead of sending a letter rogatory to the Hong Kong courts asking them for assistance in obtaining evidence (which would probably be denied anyhow), they asked the New York head office of the bank to obtain information from its Hong Kong branch.

A plaintiff, suspected of tax avoidance, turned to the Hong Kong courts for protection, asking for an order prohibiting the Hong Kong branch of Chase Manhattan from transferring the information to its US headquarters. He obtained an injunction from the trial judge and this was confirmed in the Court of Appeal. The bank, said the court, was not entitled to disclose information about the taxpayer's account with the Hong Kong office.

The Hong Kong Court of Appeal held: †"All persons opening accounts with banks in Hong Kong, whether foreign or local banks, are entitled to look to the Hong Kong courts to enforce any obligation of secrecy which, by the law of Hong Kong, is implied by virtue of the relationship of banker and customer." The court recognised that Chase Manhattan might be exposed to contempt proceedings in New York for refusing to transfer the information from its Hong Kong branch. It took the view that it could not assess whether this was likely to happen or not, and that, anyhow, this hazard was irrelevant.

In a similar case‡ an English judge prohibited the transfer of information to the US, but his reasoning left open the possibility that the transfer would be allowed if great harm would otherwise be caused to the bank. A group of oil companies maintained accounts with the London branch of an American bank. Only one of these had any dealings in the US, but the American Department of Justice asked for information concerning all members of the group. A *subpoena* was served on the bank's head office ordering the production of London records. At the request of the oil companies, the transfer of information was prohibited in London by the High Court.

Mr Justice Leggatt said that giving effect in the UK to the order of a US District Court was a matter of public interest. The order required a breach of secrecy but he did not reject it absolutely because of its extraterritorial nature. Instead, he reasoned that the US District Court was unlikely to go ahead with contempt proceedings if the bank was prohibited from disclosing the information by an English court within whose jurisdiction the records were kept.

The judge decided the issue on the balance of convenience: to grant the injunction prohibiting the transfer would not cause any real damage to the US bank, but to refuse it could cause very great harm to the group of oil companies. Therefore, it was not proper to allow the bank to breach the duty of confidentiality.

It seems that the judge could have found a firmer ground for disallowing the transfer in the House of Lords decision in the Westinghouse uranium litigation. His soft approach is in line with that adopted by the House of Lords more recently in the Laker case.

Commenting on the English and the Hong Kong decisions, Professor E. P. Ellinger concludes§ that such conflicts between courts can be avoided only by an international convention. It is certainly difficult to see how such conflicts could be avoided in any other way. Moreover, positive rules of co-operation are desirable not only to prevent the extraterritorial excursions of US investigators, but also to facilitate the detection and elimination of organised crime.

The possible heads of such a convention are outlined in the bilateral convention concluded between the US and Switzerland in 1973¶—the first treaty of this kind, concluded by the US after arduous negotiations which lasted four years and seen in Washington as a possible model for similar pacts with other countries. In that treaty, the Swiss made an important concession by promising assistance in the investigation of tax fraud or other offences unknown to the Swiss criminal code if these could be shown to be part of organised crime.

However, some time after the treaty was signed, the *Marc Rich* case revealed that by itself it would not eliminate conflicts. That case arose because US taxmen suspected that the US subsidiary of Rich had avoided declaring profits of $20m by means of inflated transfer prices charged by its Swiss parent. An embellishing factor was an allegation of trading with the enemy (Iran), later withdrawn. Even so, the US investigators probably doubted that their case was strong enough to obtain Swiss legal assistance and, ignoring the treaty, tried to achieve their objective by means of direct orders from US courts. The Swiss would have nothing of the sort and the ensuing jurisdictional conflict resulted in a major diplomatic row.

The lesson from this is obvious: an international convention is necessary but not in itself enough. US lawyers must also be prepared to abide by it.

* *Judgment of October 17 1984 nos. 65 and 131 (civil).*

† *As reported by Professor E. P. Ellinger, 1985, The Journal of Business Law, page 445.*

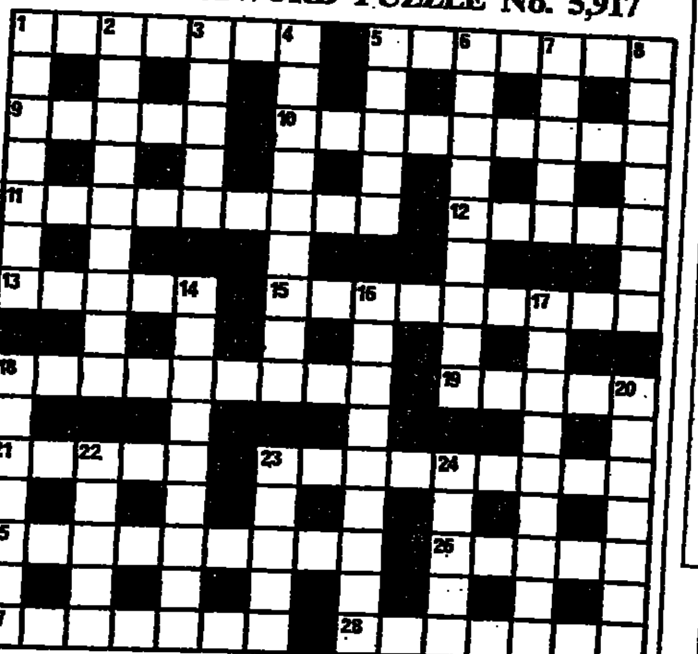
‡ *XAG v A Bank [1983] 2 ALL ER 464.*

§ *Journal of Business Law, page 446.*

¶ *Treaty between the US and Swiss Federation on mutual assistance in criminal matters signed on May 25 1973.*

A. H. HERMANN,
Legal Correspondent

F.T. CROSSWORD PUZZLE No. 5,917



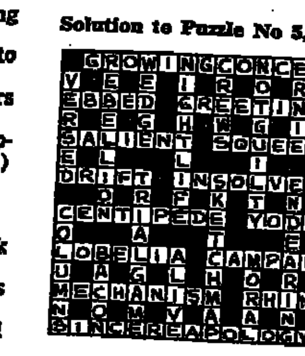
ACROSS

1 Have meal with soldiers at the highest level (7)
5 Attribute a writer (7)
9 Conclusion of home game (5)
10 The transience of such waves may make man repent (9)
11 Fainted when successful at staff college? (6, 3)
12 Share out in national lottery (5)
13 Play (by a novice) of country matters (5)
15 Drunken head's state of tension (9)
18 Underworld channel for speech? (9)
19 Reproves artist over dramatic scene (5)
21 Angry at having to change sides (5)
23 Painter trying to cheat firm (9)
25 Unequal pairs arranging rendezvous outside (9)
26 Damp month in France to start with (5)
27 Set-back as the French peers gather round (7)
28 Foot giving support to captured king round church (7)

DOWN

1 Cork defender (7)
2 Journalists sure to crack under strains (9)
3 Take out or alter a serious part (5)
4 He takes advantage of oil expert perhaps (9)
5 Fair shot at model of evil demon (5)
6 Letter or card (9)
7 One transaction that looks perfect (5)
8 Letter about gallery in private parks (7)
14 Searches for instrument in hurry (4, 5)
16 New blow to conservation area (5, 4)
17 Found what could be his last order (9)
18 From which will emerge winner of French tipple (7)
20 Showing respect to regal staff (7)
22 To use lowly part of bird (5)
23 Weight-lifter having to stick neck out (5)
24 Satisfied about taking up work in time (5)

Solution to Puzzle No 5,916



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd (a)(g)

Perpetual Unit Trust Mngmt. (a)

Prolific Unit Trusts

Providence Capital Fd. Mgrs. Ltd

Provident Mutual Unit Trust Managers Ltd.

Prudential Unit Trust Mngrs Ltd (a) (b) (c)

Quilter Management Co Ltd

Reed Stenhouse Inv Services Ltd

Reliance Unit Mgrs. Ltd

Ridgefield Management Ltd

N.M. Rothschild Asset Management

Rowan Unit Trust Mngt. (a)

Royal Life Fd. Mgmt. Ltd

Royal London Unit Tst Mgrs Ltd

Royal Trust Can. Fd. Mgt. Ltd

SKG Management Limited

Save & Prosper Group

Schroder Unit Trust Managers Ltd

Scottish Equitable Fund Mgrs. Ltd

Scottish Life Investments

Scottish Mutual Investment Managers Ltd

Scottish Provident Inv. Mgt. Ltd

Scottish Unit Managers

Scottish Widows' Fund Management

Sentinel Funds Management Ltd

Standard Life Trust Mngmt. Ltd

Stewart Ivory Unit Trust Mgrs Ltd (a)

Sun Alliance Fund Management Ltd

Sun Life Trust Mngmt. Ltd

Swiss Life Pen. Tst. Man. Co Ltd (a)(c)

TSB Unit Trusts (b) (c) (y)

3i Unit Trust Managers Ltd

Target Trust Mngrs. Ltd (a)(g)

Touche, Remnant Unit Trust Mngt Ltd

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. (c) (y)

Tyndall Managers Ltd(a)(b)(c)

UK Provident Unit Trust Managers Ltd

Unit Trust Account & Mgmt. Ltd

Vanguard Trust Managers Ltd

Wardley Unit Trust Managers Ltd (a)

Waverley Asset Management Ltd (a) (c) (g)

Westdene Unit Trust Managers Ltd(a)(c)

Whittingdale Unit Trust Managers Ltd

Wright Seligman Fund Managers Ltd

INSURANCES

AA Friendly Society

Abbey Life Assurance Co Ltd

Albany Life Assurance Co Ltd

Allied Dunbar Assurance Plc

Ambassador Life Ass. Co Ltd

Baltic Assurance Funds

Barclays Life Assur. Co Ltd

Black Horse Life Ass. Co Ltd

British National Life Assurance Co Ltd

Canada Life Group

Cannon Assurance Ltd

City of Edinburgh Life Assurance

City of Westminster Assurance

Clerical Medical/Fidelity International

Clerical Medical Managed Funds Ltd

Colonial Mutual Group

Commercial Union Group

Confederation Life Insurance Co

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ass. Ltd

Criterion Assurance Group

Crown Financial Management Ltd

Crusader Insurance Plc

Dominion Financial Management

Eagle Star Insur./Midland Assur.

Eagle Star Insurance Co Ltd

Equitable Life Assurance Society

Equity & Law

Family Assurance Society

Federation Mutual Assurance Ltd

Friends' Provident Life Office

GT Management Ltd

General Accident Linked Life Assurance(z)

Abeiuradoni GENERALI SpA

General Portfolio Life Ins. Plc

Gresham Unit Assurance Ltd

Growth & Sec. Life Ass. Soc. Ltd

Guardian Royal Exchange

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd

Imperial Life Ass. Co. of Canada

Imperial Life (UK) Ltd

Irish Life Assurance Co Plc

Langham Life Assur. Co Ltd

Legal & General (Unit Assur) Ltd

Legal & General (UA)—Contd.

Legal & General Prop. Fd. Mgrs. Ltd

Liberty Life Assurance Co Ltd

Lloyds Life Assurance

London & Manchester Group

London A'deen & Nthn. Mtl. Assur. Ltd

London Indemnity & Gnl. Ins. Co Ltd

London Life

M & G Group

MGM Assurance

The LAS Group

Manufacturers Life Insurance Co (UK)

Merchant Investors Assurance

Municipal Life Assurance Ltd

NEL Pensions Ltd

National Mutual Life

National Mutual of Australasia

National Provident Institution

Norwich Union Insurance Group

PHB Fund Management Ltd

Pearl Assurance (Unit Funds) Ltd

Phoenix Assurance Co Ltd

Pioneer Mutual Insurance Co Ltd

Premium Life Assurance Co Ltd

Property Equity & Life Ass. Co

Property Growth Assur Co Ltd

Property Growth Assur Co Ltd—Contd

Providence Capital Life Assc. Co Ltd

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co Ltd

Prudential Assurance Co

Prudential Pensions Limited

Reliance Mutual

Royal Life Insurance Ltd

Save & Prosper Group

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

Scottish Life Investments

Scottish Mutual Assurance Society

For New Zealand Ins. see Windsor Life Assur.

هكذا من الأهل

INSURANCE, OVERSEAS & MONEY FUNDS

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

World Fund S.A.
2 Boulevard Royal, Luxembourg

World Fund NAV	$14.40		+0.11	—

World Wide Growth Managementɸ
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	14.95		+0.19	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd. London.

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Advanced Tech	$17.94		−0.03	—
Dynamic Gwth Fd	$11.03		−0.04	—

Zero Bond Fund Limited
PO Box 208, St Peter Port, Guernsey 0481 26268

Zero Bond Fund	$10.61	11.24	+0.05	

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	11.05			3-Mth
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	10.61	7.95	11.56	6-mth
7-day Fnd	11.02	8.24	12.02	6-mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	10.66	7.97	11.61	6-Mth
7-day Fund	11.18	8.36	12.19	6-Mth
Dollar	6.69			6-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAP	Int Cr
Adam & Co. plc 22 Charlotte Sq Edinburgh, EH2 4DF 031-225 6484				
Full Service Chq Acc	11.00	8.00	11.78	Qtr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	11.00	8.22	12.11	Qtr
Mth. Int. Chq.	11.000	8.22	12.18	Mth
Allied Arab Bank Ltd 97-101 Cannon St, London, EC4N 5AD 01-283 9111				
HIBCA	11.50	8.60	12.78	Mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Money Mkt Cheque Acc.	11.00	8.23	12.20	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	11.00	8.25	12.3	Qtr
Britannia Investment Services Ltd. 74-78 Finsbury Pavement, EC2A 1JD. 01-588 2777				
Cater Allen	10.75	8.04	11.91	Mth
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	11.13	8.32	12.34	Mth
U.S. Dollar	7.25	7.25	7.50	Mth
German Marks	4.25	4.25	4.33	Mth
Swiss francs	1.50	1.57	1.51	Mth
Japanese Yen	5.00	5.00	5.12	Mth

[illegible]

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. § Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ɸ Yield column shows annualised rates of NAV increase. xd ex dividend.

OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	28	Marks & Spencer	13
BAT	26	Midland Bk	35
BOC Grp	27	NEI	10
BSR	8	Nat West Bk	55
BTR	35	P & O Dfd	35
Babcock	13	Plessey	14
Barclays	33	Polly Peck	21
Beecham	30	Racal Elect	15
Blue Circle	50	RHM	12
Boots	18	Rank Org Ord	35
Bowaters	30	Reed Intnl	60
Brit Aerospace	52	Sears	11
Brit. Telecom	17	TI	35
Brown (J.)	3½	Tesco	24
Burton Ord	45	Thorn EMI	34
Cadburys	13	Trust Houses	12
Charter Cons	18	Turner Newall	9½
Comm Union	23	Unilever	90
Courtaulds	13	Vickers	35
Distillers	36	**Property**	
FNFC	12	Brit Land	14
Gen Accident	55	Land Secs	26
Gen Electric	14	MEPC	26
Glaxo	100	Peachey	24
Grand Met	30	Samuel Props	15
GUS 'A'	70	**Oils**	
Guardian	60	Brit. Oil & Min.	3½
GKN	20	Brit Petroleum	45
Hanson Tst.	18	Burmah Oil	27
Hawker Sidd	36	Charterhall	4
ICI	42	Premier	5
'Imps'	16	Shell	55
Jaguar	27	Tricentrol	18
Ladbroke	27	Ultramar	18
Legal & Gen	60	**Mines**	
Lex Service	24	Cons Gold	40
Lloyds Bank	35	Lonrho	12
Lucas Inds	38	Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

Geevor Tin postpones redundancy decision

By Stefan Wagstyl

GEEVOR TIN MINES, the Cornish tin company which has been hit hard by the international tin crisis, yesterday deferred a decision on whether to lay off or make redundant any of its 375 workers.

After a Board meeting discussed the company's future on Tuesday Geevor said it had postponed its decision until at least the beginning of next month, when the London Metal Exchange authorities are widely expected to end their suspension of tin trading.

Last month, Geevor issued 90-day redundancy notices to most of its workforce as a precaution in case any fall in tin prices hit the company. Yesterday it said it had made material cost cuts already.

Geevor shares closed unchanged at 63p yesterday. The natural resources group Rio Tinto-Zinc holds a 19.5 per cent stake and the South African mining house Gencor 19 per cent.

● SRI LANKA'S Tea Board announced yesterday that it had set up a special task force to test export samples for poison. The move is designed to allay buyers' fears after an Indian newspaper reported last week that Tamil separatists had put arsenic in a shipment for the US in an attempt to damage the island's economy. The Sri Lankan Government has denied the report but prices have fallen sharply at the Colombo auction this week.

● CHINA'S Agriculture Ministry has criticised some of the country's farmers for neglecting grain production, reports Reuter from Peking. Last year the harvest fell for the first time in seven years.

Ministry spokesman Li Jinghua said output fell because of severe natural disasters, a drop in acreage and neglect by some farmers.

"Farmers in some places paid attention only to industry. A lot of land has been turned over to other purposes. We will penalise people who illegally use farmland," he said.

The country's grain crop last year was 380m tonnes.

● REUTERS, the international information group, yesterday launched a service designed to provide a worldwide daily pricing medium for crude oil and refined products. The service, named Reuter Pipeline, will be published every day at 8 pm New York time and will compete with other oil price media such as Platts Oilgram and Petroleum Argus.

African coffee producers seek to calm the market

BY PETER BLACKBURN IN ABIDJAN AND ANDREW GOWERS IN LONDON

OFFICIALS from 12 African coffee producing countries gather in Abidjan today to consider ways of stabilising world coffee prices, which have climbed to their highest level since 1977 in anticipation of a shortage of the commodity later this year.

The meeting, which will be followed by ministerial-level talks on Saturday, comes against the background of an appeal for calm earlier this week from Mr Denis Bra Kanon, the Ivory Coast Agriculture Minister and chairman of the 25-member Inter-African Coffee Organisation.

The Minister said the present price escalation threatened to disrupt trade and undermine the International Coffee Agreement. Export controls under the pact, which aims to keep prices within an agreed range, are due to be suspended in mid-February as a result of the huge gains in the market over the past few months.

"The sharp rise is not yet over," Mr Bra Kanon said.

His remarks underline the concern felt by many of the larger coffee producing countries. Although they are enjoying an earnings boom at present, they fear that the lifting of quota controls will lead to an export free-for-all, and that the International Coffee Organisation, which runs the coffee pact, will find it extremely difficult to restore order.

Mr Bra Kanon drew a parallel between the present situation, which results from severe drought damage to this year's Brazilian crop, and the 1976/77 coffee boom, following heavy frosts in the same country. But he said that the euphoria of coffee producers then was short-lived, and that their long-term interests lay in stable and remunerative prices.

He did concede, however, that the present high prices helped compensate African producers for the low prices of certain other commodities such as cotton.

African producers account for about 30 per cent of world production, but have been allocated only 25 per cent of the Agreement's total export quotas. Coffee is a vital source of foreign exchange for many African countries, especially Ruanda, Burundi and Uganda, where it represents upwards of 90 per cent of export earnings.

Mr Bra Kanon confirmed that African producers will be able to fulfil their individual country quotas without difficulty this season, and he said the Ivory Coast and other countries will be able to increase sales in a free market with a view to obtaining higher quotas when they are revised.

Proposals from this week's meetings will be presented to the crucial session of the ICO's Executive Board on January 20. It now seems unlikely that a suggestion from Colombia, the second largest producer after Brazil, for the immediate suspension of export controls will be implemented before then.

Uphill task for UK forestry

BY ANDREW GOWERS

BRITISH FORESTERS face a big challenge over the next few decades in increasing the market share of their products against foreign competition, according to a recently-published study of the UK wood market by one of the country's leading timber agents.

The study, by Dr Geoff Elliott of agents Price and Pierce, was published in the latest edition of Timber Trades Journal. It presents a somewhat gloomier view of the prospects for British forestry, a sector in which production is on a steeply rising trend, than are sometimes voiced within the industry.

"Notwithstanding the success of British forestry, and perhaps because of it, the climate for change in the British forest-based industry is likely to be as volatile in the next 40 years as it was in the last 40," the paper argues.

Home-grown forest products presently have an estimated 10 per cent share of the UK market, and the study says:

"Prospects for a 20 per cent self-sufficiency in wood goods presents a considerable challenge and opportunity for forest industry investment."

One difficulty is in the sawn softwood market, where domestic supplies available for cutting are likely to increase by more than 135 per cent over the next 10 years, while demand is expected to remain static.

In the key construction sector, British timber will be forced to compete directly with foreign supplies on the basis of presentation, price, dimension and quality.

As to hardwoods, Dr Elliott says self-sufficiency is likely to remain roughly constant between 43 and 45 per cent for the rest of the decade, while in small roundwood (from which pulp and particle-board are made), Britain could be 35 per cent self-sufficient by 1990, compared with 28 per cent at present.

Copper prices forecast to move higher

BY STEFAN WAGSTYL

CIPEC, the Inter-government Council of Copper Exporting Countries, is forecasting a slight increase in copper prices for 1986.

It expects copper to average 68 US cents a pound, against 65.1 cents in 1985, according to its latest quarterly review of the copper market.

Cipec expects the excess of demand over supply to narrow from 165,000 tonnes last year to 100,000 tonnes. Production is forecast to rise by 2.5 per cent to 7.478m, while consumption increases more modestly by 1.6 per cent to 7.578m.

Cipec says that copper is one of the strongest base metal markets with supply falling short of demand. But it warns that the prices seem unlikely to change quickly in the short run as long as there is concern over the fate of the tin market and of the London Metal Exchange.

Mr Donge Nigu, Cipec's secretary-general, says he hopes that the LME and the International Tin Council can overcome their difficulties so that copper producers "will not have to envisage other bases for prices, such as some linkage to Comex (in New York) or a system of relatively fixed producer prices."

Cotton eases Pakistan's cash problem

BY MOHAMMAD AFTAB IN ISLAMABAD

PAKISTAN, the world'S fifth largest cotton producer, has harvested a bumper cotton crop this year and its exports are already booming. Although prices in the international market are not very attractive, this will still be a help to a country plagued with foreign exchange problems.

The cotton boom—for the second year in a row—has boosted the economy as a whole, and a good wheat crop—the other major farm product which has already made Pakistan self-sufficient in food—will help stabilise the Government of the new civilian Prime Minister, Mr Mohammed Khan Junejo, which is faced with balance of payments problems.

The Government had set a cotton production target of 5.9m bales for 1985/86, equal to 1984/85's record output. This was later lowered to 5.7m bales as some of the country were hit by a shortage of irrigation water, but the Commerce Minister, Mr Salim Salifullah Khan, now estimates actual production will be close to 6m bales. This view is not shared, however, by more cautious observers. They believe a figure of around 5.5m bales will emerge after picking is completed in the next few weeks.

The Pakistan Cotton Ginners Association (PCGA) said in Karachi that its member ginneries had, by November received 4.37m bales of cotton for processing.

The process of ginning has been slowed down somewhat this year because of widespread power cuts. The entire country is facing shortage of electricity, which is expected to continue until June.

The PCGA agrees with Mr Khan that the production record of 1984-85 is likely to be exceeded this year.

Besides good weather, the current cotton boost is a spin-off from greater use of modern technology by Pakistani farmers.

The state-owned Cotton Export Corporation (CEC) says

PAKISTAN COTTON PRODUCTION

	Hectares (millions)	Bales
1980-81	2.10	4.201
1981-82	2.21	4.389
1982-83	2.26	4.844
1983-84	2.22	2.949
1984-85	2.23	5.900
1985-86	2.24	*5.976

* Estimated.

that record exports of 1.49m bales of cotton were made between July 1 and December 31—the first six months of the 1985-86 fiscal year.

The CEC also said in Karachi that the carry-over from the 1984-85 crop has been almost fully disposed of. During the first six months of 1985-86, foreign exchange earnings from exports of raw cotton were 215m. The CEC hopes to maintain the "good tempo" of exports in the remaining six months of the year, one official said. It is confident that it will surpass, by a significant margin, the shipment target of 2.2m bales for 1985-86.

Japan, with an import of 323,489 bales, was Pakistan's biggest customer in 1984-85. Other key buyers in that year included Hong Kong, Taiwan and Bulgaria.

In the first quarter of 1985-86, Taiwan was the biggest importer of Pakistani cotton, because its total requirements have shot up to 1.37m bales from 1.04m bales a year ago.

So far, between 260,000 and 270,000 bales from the new crop have been booked at an average price of 34 to 34.50 US cents a pound fob. However, poor international prices are causing a loss to the CEC.

Export worries cloud Australian wheat harvest optimism

BY PATRICIA NEWBY IN MELBOURNE

AUSTRALIA'S wheat harvest, which is currently reaching its peak, should, weather permitting, be the third bumper crop in a row. The Australian wheat board has revised upward by 200,000 tonnes its estimate of the expected size of this year's crop to 16.7m tonnes.

If this is achieved, it could be Australia's fourth largest harvest and follows the record 1982-83 crop of 22m tonnes and last year's 18.3m tonnes.

The size of the harvest is some comfort to Australia's embattled wheat farmers who are facing a world market in oversupply, depressed prices and increasing competition in their traditional markets from subsidised wheat exports.

Although Australia produces only 3.6 per cent of the world's wheat, it accounts for some 13 per cent of international trade in the commodity. Around 14m tonnes will be available for export from this year's harvest in addition to 5m tonnes carried over from last year.

The Wheat Board, Australia's sole wheat marketing authority, is responding to the depressing world outlook by promising aggressive marketing tactics to hold on to traditional markets against inroads from subsidised exports—especially under the US Government sponsored Export Enhancement Program (EEP)—and by seeking greater efficiency at home.

As one board official put it,

AUSTRALIAN WHEAT EXPORTS

Destination	Annual av. (m tonnes)	Average pecentage
USSR	1.97	17.8
Egypt	1.67	16.0
China	1.6	14.2
Japan	0.94	9.0
Iran	0.91	8.0
Iraq	0.73	6.7
Indonesia	0.49	4.6
Malaysia	0.38	3.5

"internationally we are lifting our game."

Although the EEP was supposed to attack the EEC in markets regarded as stolen from the US, Australia has voiced concern at ministerial level over the targeting of EEP wheat into traditional Australian markets such as Egypt, the Yemen and Iraq.

The Wheat Board's assistant general manager, marketing, Mr Bob McCarthy, has said Australia is not about to lose its market share in those countries and will combat any further erosion "in as aggressive a manner as is necessary." Inevitably, this means lowering export prices of Australian wheat and putting pressure on wheat growers at home to reduce costs through greater efficiency.

The devaluation of the Australian dollar last year has helped to bolster returns to growers since contracts are negotiated in US dollars. But the cost of imported goods such as machinery have increased correspondingly. Interest rates have also been at record levels.

Freight is seen as an area where efficiency could be improved and costs reduced. Even in the present depressed state of the freight market, costs are estimated to equal about 12 per cent of the landed cost of wheat to buyers.

The Wheat Board believes more wheat could have been sold in the past year if it could have been shipped. Current limitations at ports put Australia's wheat shipping capacity at around 15m tonnes a year, whereas there is likely to be around 19m tonnes available for export after the current harvest.

As part of the programme for greater efficiency at the ports the Wheat Board plans to take a greater role in chartering ships for wheat exports to try to achieve more economies.

By bringing more shipping under its control, the Board hopes to eliminate some of the "bunching" that leads to delays which inevitably push up the cost of Australian wheat to the buyer.

The bulk of Australian wheat exports are fob, with shipping costs being the responsibility of the buyer. In the case of big customers like the USSR, Egypt and China, which have their own fleets, this system will continue. But where buyers would normally charter ships, the Wheat Board is interested in increasing its role.

Currently chartering of ships for the Wheat Board is done through a committee of London-based shipping brokers. It is likely that some chartering will soon be done through Australian brokers as well.

There is also potential for savings in the recent use of vessels of 60,000 tonnes instead of 25,000 tonnes. Bigger vessels can carry wheat over long distances for transhipment to smaller vessels near the destination in, say, North Africa or the Middle East.

LONDON MARKETS

PROFIT-TAKING and long liquidation trimmed coffee prices back sharply on the London futures market yesterday. The March position ended at £2,923.50 a tonne, a fall of £84 or rather more than half of Tuesday's rise. But traders said the fall was "an expected downside correction." Cocoa prices were also weaker with the May futures position finishing £17.50 down on the day at £1,727.50 a tonne. But this was some £10 above the five-week low reached during the day. Easier sentiment among cocoa traders reflects better indications for the Ivory Coast crop and freer availability of supplies for immediate delivery. On the London Metal Exchange copper prices moved higher in line with the trend in New York while aluminium continued its recovery from Monday's sharp fall. Cash aluminium added £4.50 to Tuesday's £11.50 rally leaving the price at £777.50 a tonne, only £2.50 below last Friday's close. Dealers quoted expectations of the International Primary Aluminium Institute figures due for release tomorrow will show a continuing decline in non-communist world stocks as a factor in the advance. Platinum fell back following its recent strong rise on unrest and South Africa and the Middle East.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	777—8+4.5		776/776
3 months	804.5—5.5+5.25		806/797

Official closing (am): Cash 775.5-6.5 (762.5-3), three months 803.5-4 (788.5-9), settlement 776.5 (763). Final Kerb close: 805-6. Turnover: 14,400 tonnes.

COPPER

Higher grade	Unoffic'l close	+ or —	High/low
Cash	971-2	+5.0	967/967
3 months	998-9	+6.25	1000/994

Official closing (am): Cash 966.5-7.5 9), settlement 776.5 (763).— 9 (960.5-1.5), three months 994-.5 (986-.5), settlement 967.5 (961.5). Final Kerb close 999.5-1,000.

Cathodes			
Cash	957-8	+4.0	954/954
3 months	986-7	+3.0	—

Official closing (am): Cash 953.5-4 (945-7), three months 982-4 (976-7), settlement 954 (947). Turnover: 26,550 tonnes. US Producer prices 67.00-72.00 cents per pound.

LEAD

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	257-8	—1.5	256.2/256.2
3 months	268.5-9	—0.5	272/268

Official closing (am): Cash 256-.25 (258.5-7), three months 268-9 (267-.5), settlement 256.25 (257). Final Kerb close: 269-70. Turnover: 19,950 tonnes. U.S. Spot: 18.50-20 cents per pound.

NICKEL

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	2880-90	—5.0	—
3 months	2945-50	+3.0	2985/2950

Official closing (am): Cash 2,880-90 (2,870-80), three months 2,940-5 (2,930-40), settlement 2,890 (2,880). Final Kerb close: 2,940-5. Turnover: 978 tonnes.

ZINC

High grade	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	465-6	—	—
3 months	469-.5	+2.0	476/465

Official closing (am): Cash 454-5 (448-50), three months 468-.5 (463-4), settlement 455 (450). Final Kerb close: 469-70. Turnover: 11,100 tonnes. US Prime Western: 33.00-35.75 cents per pound.

GOLD

Gold rose $2¾ to $322¼-332¾ on the London bullion market yesterday, boosted by the rise in the value of platinum and tension caused by the US accusation of Libyan involvement in terrorist activities. It opened at $330¼-330¾, the lowest level of the day and touched a peak of $332½-333. The metal was fixed at $330.90 in the morning and $332.60 in the afternoon.

GOLD BULLION (fine ounce) Jan. 8

Close	$332¼-332¾	(£229¾-230¼)
Opening	$330¼-330¾	(£229¼-230¼)
M'nl'g fix	$330.90	(£229.346)
Aft'n'n fix	$332.60	(£230.175)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$333½-333¾	(£231-231½)
½ Krug.	$188¼-188¾	(£130½-130¾)
¼ Krug.	$90¼-90¾	(£62½-62¾)
1/10 Krug.	$37 37½	(£25¾-26)
Mapleleaf	$343 343½	(£237½-238)
Angel	$341¾-343¾	(£236¾-238¼)
1/10 Angel	$33-38	(£22¾-26¼)
New Sov.	$79¼-79¾	(£55-55¼)
½New Sov	$47¾-48¼	(£33-33½)
Old Sov.	$86½-88	(£60-61)
$20 Eagle	$440-480	(£304¾-332½)
Noble Plat	$365¼-369¼	(£253-255¾)

SILVER

Silver was fixed 2.8p an ounce higher for spot delivery on the London bullion market yesterday at 407.4p US cent equivalents of the fixing levels were: spot 589.5c, up 5c; three-month 600.3c, up 5.05c; six-month 611.50c, up 4.85c; and 12-month 634.1c, up 5.4c. The metal opened at 409½-411½p (589-591c) and closed at 408½-409½ (588-590c).

SILVER per troy	Bullion Fixing Price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	407.40p	+2.80	404p	—1
3 months	419.20p	+3.20	417.5p	—
6 months	431.55p	+3.50	—	—
12 months	455.90p	+3.80	—	—

LME—Turnover: 34 (48) lots of 10,000 oz.

Three months high 417.8p, low 414.5p, final kerb 416.8p.

RUBBER

PHYSICALS—The London market opened slightly steadier, attracted little interest throughout the day and closed dull, reports Lewis and Peat. Closing prices (buyers) spot 57.00p (same), February 55.00p (55.25p). March 55.25p (55.50p). The Kuala Lumpur fob price (Malaysia/Singapore cents) per kg RSS No 1 was 179.0 (178.0) and for SMR 20 170.0 (171.0).

INDICES

FINANCIAL TIMES

Jan 8	Jan.7	M'th ago	Year ago
—*	—*	—*	293.01

(Base: July 1 1952 = 100)

REUTERS

Jan. 7	Jan. 6	M'th ago	Year ago
1762.0	1771.8	1705.1	1919.3

(Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Jan. 7	Jan. 6	Month ago	Year ago
Spot	131.66	127.69	—	120.80
Fut.	136.51	134.87	—	123.12

(Base December 31 1974 = 100)

* Not available due to suspension of tin LME.

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

	Jan. 8 1986	+ or —	Month ago
METALS			
Aluminium	£1100	....	£1100
Free Mkt	$1185/225	+10	$1070/90
Copper			
Cash h Grade	£971.5	+5	£992.5
3 mths	£998.5	+6.25	£1013.5
Gold Troy oz	$332.5	+2.75	$316.25
Lead Cash	£257.5	—1.5	£268.25
3 mths	£268.75	—0.75	£276.15
Nickel			
Free Mkt	189/205c	+1	191/201c
Palladium oz	$100.50	+2	$95.25
Platinum oz	$358	—6.25	$325.00
Quicksilver†	$250/265		$270/280
Silver troy oz	407.40p	+2.80	405.40p
3 months	419.20p	+3.20	416.75p
Tin cash	‡	....	‡
3 months	‡	....	‡
Tungsten	$66.93	....	$67.77
Wolfram 22.0lb	$63/61	....	$58/64
Zinc	£465.5	....	£476.25
3 months	£469.25	+2	£474.25
Producers	[illegible]	....	[illegible]
OILS			
Coconut (Phil)	$422.5v	—12.5	$390
Palm Malayan	$362.5	—8.5	$387.5
SEEDS			
Copra Phil	$260v	—10	$257.5
Soyabean (U.S.)	$228.5	+4.4	$219.6
GRAINS			
Barley Fut. Mar.	£115.45	—0.80	£113.35
Maize	£143.85	....	£148.50
Wheat Fut. Mar.	£116.20	—0.85	£115.95
No. 2 Hard Wint.	‡	....	‡
OTHERS			
Cocoa Ft. May	£1727.5	—17.5	£1752.5
Coffee Ft. Mar.	£2923.5	—84	£2098
Cotton A Index	50.40c	+0.4	48.30c
Gas Oil Feb.	$227	—2.75	$231.75
Rubber (kilo)	57p	....	57.5p
Sugar (raw)	$132.5v	+4.5	$140
Wooltops 64s	397p kilo	....	392p kilo

‡ Unquoted. † Per 75-lb flask. c Cents per pound. v Jan-Feb. z Feb.

MEAT

Prices closed little changed following trade buying interest at lower levels, reports Eastern Capital-CCST.

Month	Yesterday's close	Previous close	Business done
	p. per kilo (deadweight)		
Feb	100.90	101.50	101.00-100.90
April	102.30	102.40	102.50
June	99.80	99.80	100.20
Aug	98.20	98.10	98.30
Oct	104.10	104.10	104.20
Nov	105.40	105.30	105.50

Sales: 33 (29) lots of 50 carcases, 3,250 kg.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 98.44p per kg lw (+0.97). GB—Sheep 201.02p per kg est dcw (+12.43). GB—Pigs 73.25p per kg lw (—4.98). GB—AAPP 101.64p per kg dw.

COCOA

During an active day futures stayed in a limited range throughout the morning, but lost ground sharply in the late afternoon. Some scale-down consumer buying was apparent but producers were again withdrawn, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
March	1710-1711	—16.5	1728-1705
May	1727-1728	—17.5	1748-1717
July	1746-1748	—20.5	1762-1740
Sept.	1766-1770	—21.0	1789-1765
Dec.	1776-1778	—23.0	1798-1775
March	1796-1800	—19.5	1815-1785
May	1805-1820	—19.0	1825-1815

Sales: 3,652 (3,065) lots of 10 tonnes.

ICCO indicator prices (US cents per pound). Daily price for anuary 8: 105.70 (107.11): five-day average for anuary 9: 108.18 (109.09).

COFFEE

The market opened £45 higher, as due, in very light volume. With a lack of follow-through, prices fell on waves of commission house and trade selling. Further ground was lost following a weaker New York market. Prices recovered slightly on the close, reports Drexel Burnham Lambert.

COFFEE	Yesterday's Close	+ or —	Business Done
Jan.	2850-70	—72.5	2920-837
March	2922-25	—84.0	3059-900
May	2991-00	—88.5	3095-975
July	3070-75	—95.5	3170-060
Sept.	3140-49	—108.5	3230-140
Nov.	3190-91	—67.5	3250-185
Jan	3200-20	—60.0	3255-210

Sales: 12,490 (14,987) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for January 7: Comp. daily 1979 233.93 (223.03); 15-day average 198.78 (194.93).

FREIGHT FUTURES

Significant gains were made as physical market values rose on major grain routes. Early gains were extended at the close as trade buyers took cover, reports Clarkson Wolff. The Baltic Freight Index was 905.5, up 3. The Baltic Tanker Index was 963, unchanged.

	Close	High/Low	Prev.
Jan.	910/911	910/905	896/899
April	971/974	971/970	964/964
July	840/845	840/838	835/840
Oct.	935/938	935/932	924/930
Jan.	935/948	937	935/945
April	1010/1020	1020	1010/1040
July	850/870	—	803/880
Oct.	970/980	—	940/990

Turnover: 143 (195).

GRAINS

Old crop markets were mixed seeing early gains of 15-30p on shipper/merchant buying eroded by country hedge selling. Values returned to unchanged and tended to drift in the afternoon, with barley, particularly, coming under pressure. New crops gradually rose to contract highs in light trading, with shipper buying the major feature, reports Muirpace.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterdys close	+ or —
Jan	113.35	—0.30	112.30	—0.40
Mar	116.20	—0.85	115.45	—0.80
May	119.25	—0.85	117.55	—0.25
July	121.45	—0.05	—	—
Sept	100.00	+0.25	99.70	+0.10
Nov	103.00	+0.30	103.00	+0.85

Business done—Wheat: Jan untraded, March 116.50-6.10, May 119.60-9.15, July 121.70-1.55, Sept 100.00-99.75, Nov 103.00-2.70. Sales: 216 lots of 100 tonnes. Barley: Jan 113.00-2.30, March 115.90-5.50, May 117.90-7.55, Sept 99.70-9.60, Nov 102.85-2.70. Sales: 127 lots of 100 tonnes.

LONDON GRAINS—Wheat: US dark northern spring no 1 15 per cent Feb 138.75, March 139.90 sellers transhipment east coast. US no 2 soft red winter Jan 127.75, Feb 128, March 127 sellers. EC French Jan 135.50. English feed fob Jan 116.00-116.50, Feb 118.00-118.50, April/June 122.00-123.00 buyer/sellers, Aug 25/Sept 10 101, Sept 12, Oct/Dec 106.50 values. Maize: US no 3 yellow/French transhipment east coast Jan 143.25. Barley: English feed fob Jan 116.25 Perth 117 Peterhead sellers, Feb 117.50-118.50, March 119.00-120.00, April/June 122.75-123.00 buyer/sellers. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: E. Midlands 112.60, N. East 113.20. The UK monetary coefficient for the week beginning Monday January 13 1986 is expected to be unchanged.

SUGAR

LONDON DAILY PRICE—Raw sugar $132.50 (£92.00), up $4.50 (up £3.50) a tonne for Jan-Feb delivery. White sugar $170.00, up $4.00.

$3 of Tuesday's gains were erased on heavy trade selling against physical contract pricing. There was reasonable offtake around $151.00 in March which temporarily arrested the decline, reports C. Czarnikow.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Mar	149.2-149.8	153.8-154.0	154.8-149.0
May	154.4-154.6	158.8-159.0	159.0-154.2
Aug	169.2-169.8	164.4-164.8	164.6
Oct	165.0-165.8	169.2-169.6	169.6-167.0

Sales: 3,350 (2,062) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £195.00 (£190.50) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for Jan 7: Daily price 4.95 (4.78): 15-day average 5.01 (5.04).

PARIS — (FFr per tonne): March 1300-1302, May 1325-1330, Aug 1395-1395, Oct 1420-1430, Dec 1449-1465, March 1515-1530.

SOYABEAN MEAL

The market opened £1 higher on trade buying, reports T. G. Roddick. Prices continue to rally on commission house buying, but profit-taking caused the market to drift from the highs.

	Yesterday close	+ or —	Business Done
	£ per tonne		
Feb	154.5-155.8	+1.20	155.5
Apr	157.1-157.5	+0.55	158.5-157.5
June	155.8-155.1	+0.90	156.8-155.0
August	152.0-153.0	+1.75	—
October	152.8-154.5	+1.60	—
Dec.	152.0-154.5	—0.25	154.0-153.0
Feb.	151.0-159.8	—	—

Sales: 964 (41) lots of 20 tonnes.

US MARKETS

PRECIOUS METALS traded firm with gold attracting scattered trade support and commission house short-covering, reports Heinold Commodities. Copper settled lower on selling linked to weak financial markets. Aluminium steadied on scattered buying linked to a seasonal pick-up in demand. Sugar weakened on producer selling which encouraged profit-taking. Technical selling pressured cocoa values. Coffee values traded mixed with the spot March under pressure from good selling linked to profit-taking. Cotton firmed on fears that the 1985 loan programme will keep supplies tight. The energy complex came under pressure from selling linked to an unexpected build-up in US crude oil stocks.

NEW YORK

ALUMINIUM 40,000 lb. cents/lb

	Close	High	Low	Prev
Jan	52.80	—	—	52.80
Feb	53.20	—	—	53.30
March	53.55	53.75	53.40	53.45
May	54.15	54.30	54.00	54.05
July	54.75	54.70	54.65	54.65
Sept	55.35	—	—	55.30
Dec	56.30	—	—	56.25
Jan	56.60	—	—	56.55
March	57.20	—	—	57.20
May	57.80	—	—	57.85

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	2167	2207	2165	2201
May	2216	2252	2214	2247
July	2250	2280	2250	2268
Sept	2271	2299	2275	2297
Dec	2281	—	—	2305
March	2291	—	—	2317
May	2296	—	—	2316

COFFEE "C" 37,500 lb. cents/lb

	Close	High	Low	Prev
March	263.98	271.00	262.50	273.45
May	269.01	271.09	268.50	266.09
July	273.12	275.18	270.50	269.18
Sept	277.17	278.96	273.75	272.96
Dec	280.74	282.34	279.25	276.84
March	285.00	285.45	281.00	279.45
May	284.45	284.45	284.45	278.45

COPPER 25,000 lb. cents/lb

	Close	High	Low	Prev
Jan	64.55	64.70	64.70	64.70
Feb	64.85	—	—	64.90
March	65.25	65.85	65.10	65.45
May	65.20	65.70	65.05	65.45
July	65.30	65.85	65.15	65.55
Sept	65.40	65.85	65.45	65.65
Dec	65.60	66.20	65.85	65.80
Jan	65.70	—	—	65.90
March	65.80	66.10	66.00	66.00
May	65.95	—	—	66.15

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
March	62.75	62.85	62.06	62.01
May	62.65	62.70	62.15	62.02
July	59.80	60.00	58.65	58.50
Oct	50.20	50.10	49.60	49.65
Dec	48.60	48.65	48.27	48.30
March	48.45	49.30	49.30	49.00
May	48.60	—	—	49.30

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Latest	High	Low	Prev
Feb	25.90	26.05	25.50	26.20
March	24.80	24.89	24.40	25.20
April	24.00	24.07	23.60	24.38
May	23.48	23.47	23.15	23.75
June	22.93	23.00	22.70	23.29
July	22.60	22.70	22.40	22.89
Aug	22.25	22.35	22.25	22.54
Sept	21.95	22.06	21.95	22.22
Oct	21.82	21.85	21.82	21.95
Nov	21.60	21.60	21.50	21.70

GOLD 100 troy oz. $/troy oz

	Close	High	Low	Prev
Jan	33.4	334.0	334.0	331.0
Feb	336.1	336.5	333.0	332.9
March	337.9	—	—	334.8
April	340.0	340.5	336.7	336.6
June	344.1	345.0	340.9	340.6
Aug	348.3	348.7	345.0	344.7
Oct	352.7	351.0	350.0	349.0
Dec	357.1	355.0	353.0	353.3
Feb	361.5	359.0	358.6	357.7
June	370.3	—	—	366.5
Aug	377.0	3.770	377.0	371.4
Oct	380.1	378.0	377.5	376.1

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	High	Low	Prev
Feb	74.50	75.50	74.10	75.67
March	71.25	72.20	70.70	72.57
April	66.90	67.65	66.50	66.25
May	63.50	63.85	63.00	64.65
June	61.90	62.30	61.85	63.00
July	61.60	61.60	61.50	62.30
Aug	61.75	61.7	61.50	[illegible]
Sept	61.75	62.00	61.75	62.30
Oct	61.35	—	—	62.30
Nov	61.88	—	—	62.30

ORANGE JUICE 15,000 lb. cents/lb

	Close	High	Low	Prev
Jan	104.80	105.00	104.50	106.90
March	106.90	107.80	106.40	109.05
May	108.75	109.40	108.25	111.00
July	110.90	111.00	110.30	113.00
Sept	111.05	112.00	112.00	112.60
Nov	111.55	—	—	113.10
Jan	112.10	113.00	113.00	113.60
March	112.60	—	—	114.60
May	112.60	—	—	112.60

PLATINUM 50 troy oz. $/troy oz

	Close	High	Low	Prev
Jan	356.9	360.4	355.0	356.8
Feb	358.9	—	—	357.9
March	360.9	—	—	369.9
April	362.9	365.0	356.5	360.9
July	366.1	368.0	361.5	364.1
Oct	370.4	371.0	365.5	369.4
Jan	374.8	371.0	371.0	372.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Jan	591.0	588.0	587.0	590.3
Feb	594.1	—	—	593.6
March	598.0	603.0	590.0	597.5
May	605.7	610.0	596.0	606.1
July	613.5	617.5	605.0	612.8
Sept	621.7	621.0	615.0	620.8
Dec	633.9	636.0	625.1	632.8
Jan	638.2	—	—	637.0
March	646.7	647.0	647.0	646.3
May	655.4	660.0	653.0	653.8

SUGAR WORLD "11" 112,000 lb. cents/lb

	Close	High	Low	Prev
March	5.66	5.83	5.64	5.89
May	5.87	6.04	5.86	6.09
July	6.08	6.23	6.07	6.30
Sept	6.24	6.38	6.24	6.48
Oct	6.34	6.52	6.33	6.57
Jan	6.66	—	—	6.89
March	6.96	7.12	7.00	7.17
May	7.09	—	—	7.13

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	57.30	58.60	57.30	58.80
April	59.20	60.40	59.02	60.52
June	59.05	60.20	58.65	60.02
August	58.20	59.10	57.65	59.00
Oct	57.07	58.00	56.95	57.85
Dec	59.00	59.50	58.90	59.60

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	45.00	46.00	44.92	46.20
April	40.75	41.90	40.60	42.00
June	44.40	45.30	44.30	45.27
July	44.90	45.60	44.90	45.55
August	43.70	44.75	43.60	44.70
Oct	40.90	41.65	40.90	41.52
Dec	42.02	42.70	42.02	42.42
Feb	42.57	42.85	42.57	42.75

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
March	248.4	249.2	248.2	249.0
May	252.6	253.4	252.0	252.4
July	252.6	253.4	252.2	252.4
Sept	235.0	235.0	234.2	235.2
Dec	224.6	225.0	224.0	225.0
March	232.2	232.4	232.0	232.6
May	236.2	—	—	236.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	63.67	64.65	63.50	65.35
March	63.95	64.90	63.70	65.32
May	64.97	65.90	64.85	66.20
July	65.10	65.60	64.80	65.85
Aug	62.45	63.20	62.45	63.40

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Jan	544.2	544.4	537.6	542.2
March	554.4	555.0	548.0	552.6
May	565.0	565.4	558.6	564.4
July	574.4	575.0	568.0	572.2
August	572.0	572.0	567.0	570.0
Sept	549.0	550.0	547.0	547.0
Nov	544.4	545.0	541.0	542.2
Jan	558.0	556.0	551.4	554.0
March	565.4	566.0	561.4	564.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Jan	156.0	156.0	153.5	154.9
March	156.9	157.1	155.0	157.1
May	158.2	158.8	156.5	158.9
July	159.6	160.4	158.0	160.8
August	159.0	160.0	158.0	160.0
Sept	153.5	154.5	153.0	154.3
Oct	149.3	150.0	149.0	151.0
Dec	150.4	151.5	149.5	151.8
Jan	150.0	151.0	150.0	151.3
March	153.0	153.0	153.0	154.3

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Jan	21.06	21.15	20.83	21.01
March	21.40	21.50	21.21	21.38
May	21.77	21.88	21.60	21.78
July	22.06	22.15	21.90	22.05
August	22.05	22.15	21.95	22.07
Sept	21.70	21.80	21.65	21.75
Oct	21.50	21.60	21.35	21.43
Dec	21.35	21.40	21.20	21.25
Jan	21.30	21.35	21.25	21.25

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
March	333.0	334.6	331.6	334.2
May	310.2	312.2	309.4	311.6
July	279.2	280.6	279.0	280.6
Sept	278.8	280.0	278.4	280.0
Dec	289.0	290.0	288.6	290.0

SPOT PRICES—Chicago loose lard 16.50 (same) cents per pound. Handy and Harman silver bullion 587.0 (586.5) cents per troy ounce.

OIL

One or two refiners were able to buy dated North Sea crude oil cargoes 50c or so below Tuesday's closing prices as forward markets continued their decline. Nymex opened 70c down but had recovered 45c by 1.30 pm EST. In the petroleum products market gas oil fell on good supplies of prompt Russian oil and weak futures. Naphtha also ended down, reflecting limited end—user demand. Heavy fuel prices stabilised after recent strength as sellers came on to the market in search of profits.—Petroleum Argus, London

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—Jan.		
Arab Light	27.60 27.70*	—0.10
Arab Heavy	25.50-25.70*	—0.05
Dubai	24.95-25.05*	—0.35
Brent Blend	25.65-25.75	—0.60
W.T.I. (1pm est)	26.00-26.05*	—0.125
Forcados (Nigeria)	26.65-26.75	—0.15
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	255-265	—
Gas Oil	238-240	—3
Heavy fuel oil	136-138	—
Naphtha	221-225	—25

* February

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close	+ or —	Business Done
	$ U.S. per tonne		
Jan	235.00	—5.00	238.00-34.25
Feb	227.00	—2.75	229.50-24.75
Mar	216.75	—2.75	219.50-15.50
Apr	209.00	—1.50	209.50-06.50
May	200.00	—2.00	202.00-99.50
June	196.00	—1.50	196.50-95.25
July	197.00	—0.50	197.50-96.50
Aug	199.00	—0.50	198.00

Turnover: 2,983 (2,825) lots of 100 tonnes.

CRUDE OIL FUTURES—Brent Blend Index ($ a barrel). (Close, change, business done): Index 24.90, —0.31; Feb 24.65-24.70, —0.275, 24.70-24.30; March 23.60-24.00; April 22.96-23.45, —0.30, 22.60; May 22.10-23.30; June 21.80-23.00.

Turnover: 47 (1) lots of 1,000 barrels.

POTATOES

The market was quiet after recent volatility, opening £1.40 down, basis April, before bouncing back 60p and settling for the remainder of the session at or near £96.00, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Feb	81.00	81.50	—
Apr	96.10	96.90	96.80-95.40
May	102.60	103.60	103.00-01.50
Nov	76.50	77.00	—

Sales: 447 (1,272) lots of 40 tonnes.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound improves against D-mark

Sterling showed more reaction against Continental currencies than against the stronger dollar, on the rise in clearing bank base rates. The pound was already improving against the D-mark-led block of European Monetary System members when the Bank of England gave its signal of higher rates to the London money market just after noon. The exchange rate index opened 0.1 higher at 77.6 on a rate against the D-mark of DM 3.5164, compared with DM 3.5105 when Tuesday's final calculation was taken. At noon the index had climbed to 77.9, with the D-mark rate at DM 3.5297, and when sterling's index touched its peak of 78.0 at 3 pm the pound's value against the D-mark was 3.5374. The index finished 0.4 higher on the day at 77.9, but sterling continued to advance against the German currency to close in London at DM 3.5450, compared with DM 3.5150 previously.

The pound also rose to FFr 10.8750 from FFr 10.7725; SFr 2.9775; and Y291.50 from Y291.10.

Against the dollar sterling advanced 35 points to $1.4430-1.4440, and dealers are now waittig to see whether a rise of 1 per cent in London interest rates will be s ufficient to support the pound ahead of the next meeting of Opec ministers, scheduled to take place early next month, against a background of nervousness about weaker oil prices.

The dollar was stronger on better-than-expected US unemployment figures. Unemployment in December fell to 6.9 per cent, but had been forecast to stay at the November level of 7 per cent. The number employed in non-farming activities rose by 320,000, after a gain of 180,000 in November. The market was expecting an increase of about 250,000.

Before the unemployment data were published it was suggested that a figure above 7 per cent, and another disappointing rise in industrial employment would put pressure on the dollar and point towards an early reduction in the Federal Reserve's discount rate.

As expectations faded of a cut in the discount rate the dollar rose, to close around its highest levels of the day, improving to DM 2.4560 from DM 2.4405; FFr 7.5325 from FFr 7.48; SFr 2.0850 from SFr 2.0670; and Y202 from Y201.45.

On Bank of England figures the dollar's index rose to 125.5 from 125.1.

D-MARK — Trading range against the dollar in 1985-86 is 3.4510 to 2.4375. December average 2.5120. Exchange rate index 131.7 against 122.5 six months ago.

The D-mark lost a little ground against the dollar in quiet trading, with the US currency buoyed by slightly better-than-expected US unemployment figures. The Bundesbank did not intervene when the dollar was fixed at DM 2.4424 compared with DM 2.4375 previously. Dealers were reluctant to take out new positions, because of uncertainty about the future direction of the dollar, while the recent strength of US credit markets gave no incentive to buy the US currency. At the same time an attempt to push the dollar below DM 2.44 ran out of steam at DM 2.4370. There seemed some evidence that European traders were not prepared to take a view and prepared to wait for direction from the US markets. The dollar closed at DM 2.4470 in Frankfurt, compared with DM 2.4330 on Tuesday.

£ IN NEW YORK

	Jan. 8	Prev. close
£ Spot	$1.4430-4443	$1.4485-1.4415
1 month	0.57-0.53pm	0.46-0.45pm
3 months	1.61-1.56pm	1.36-1.33pm
12 months	5.60-5.46pm	4.90-4.80pm

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

Jan 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4320-1.4495	1.4430-1.4440	0.57-0.54c pm	4.61	1.60-1.55pm	4.36
Canada	2.0159-2.0258	2.0210-2.0240	0.49-0.39c pm	2.61	1.36-1.21pm	2.54
Nethlnd.	3.98½-3.99½	3.98½-3.99½	2⅛-2¹/₁₀ pm	6.95	6⅞-6⅝pm	6.52
Belgium	71.89-72.39	72.25-72.35	20-12c pm	2.66	48-36pm	2.32
Denmark	12.86½-12.93½	12.90-12.91	3⅞-2⅞ore pm	2.96	10⅛-8pm	2.98
Ireland	1.1527-1.1630	1.1598-1.1605	par-0.32p dis	−1.66	0.44-0.97dis	−2.43
W. Ger.	3.52-3.55	3.54-3.55	2⅞-2⅝pf pm	8.25	6⅞-6⅝pm	7.56
Portugal	226-230	226¾-229¾	140-435c dis	−15.12	415-1225d	−14.37
Spain	220-221	220¼-220¾	14-77c dis	−2.48	122-216dis	−3.07
Italy	2,401½-2,415½	2,413-2,414	8-13lire dis	−5.22	24-31dis	−4.56
Norway	10.86½-10.90¾	10.89¾-10.90¾	⅛-1½ore dis	−1.24	1⅜-2½dis	−0.78
France	10.78¾-10.88	10.87-10.88	1-2⅜c dis	−1.86	1-2⅜dis	−0.67
Sweden	10.92-10.97½	10.96½-10.97½	⅛-1⅛ore dis	−0.75	⅞-1⅜dis	−0.41
Japan	290½-292	291-292	1.50-1.38y pm	5.89	4.29-4.08pm	5.74
Austria	24.74-24.86	24.81-24.84	8⅝-7⅞gro pm	3.78	35⅞-32⅞pm	5.44
Switz.	2.98½-3.01½	3.00½-3.01½	2⅛-2⅞c pm	8.72	6⅞-6pm	8.14

Belgian rate is for convertible francs. Financial franc 73.20-73.30. Six-month forward dollar 3.05-3.00c pm. 12-month 5.65-5.50c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Jan 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4320-1.4495	1.4430-1.4440	0.57-0.54c pm	4.61	1.60-1.55pm	4.36
Ireland†	1.2405-1.2490	1.2413-1.2423	0.80-0.50c pm	6.25	2.35-1.85pm	6.73
Canada	1.3973-1.4015	1.4010-1.4015	0.22-0.25c dis	−2.02	0.62-0.67dis	−1.85
Nethlnd.	2.7425-2.7646	2.7635-2.7645	0.54-0.51c pm	2.28	1.47-1.43pm	2.11
Belgium	49.80-50.15	50.05-50.15	6-10c dis	−1.92	23-29dis	−2.08
Denmark	8.91-8.96¾	8.93¾-8.94¾	par-⅛ore dis	−0.42	⅛-⅜dis	−0.22
W. Ger.	2.4370-2.4590	2.4555-2.4565	0.74-0.69pf pm	3.51	1.95-1.90pm	3.15
Portugal	157-158½	157½-158½	150-360c dis	−19.05	460-1000d	−18.41
Spain	152.54-153.25	152.70-152.80	60-100c dis	−6.28	250-300dis	−7.20
Italy	1,663-1,673	1,671½-1,672½	12-13½lire dis	−9.18	36-38dis	−8.88
Norway	7.52½-7.55¾	7.54¾-7.55¼	2⅞-3⅛ore dis	−4.58	8⅞-9⅛dis	−4.75
France	7.47-7.54	7.53-7.53½	1-1½c dis	−2.00	7-8dis	−4.01
Sweden	7.56-7.60½	7.59¾-7.60¼	2⅝-3ore dis	−4.45	7⅛-7⅝dis	−3.89
Japan	201.20-202.10	201.95-202.05	0.23-0.19y pm	1.22	0.71-0.64 pm	1.34
Austria	17.14-17.28	17.26-17.28	2⅛-1⅞gro pm	1.27	6½-5pm	1.34
Switz.	2.0680-2.0860	2.0845-2.0855	0.72-0.67c pm	4.03	2.00-1.95pm	3.82

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 50.70-50.80.

EXCHANGE CROSS RATES

Jan 8	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.444	3.545	291.5	10.88	3.010	3.990	2414.	2.023	72.30
$	0.693	1.	2.456	202.0	7.535	2.086	2.764	1672.	1.401	50.10
DM	0.282	0.407	1.	82.23	3.068	0.849	1.126	680.8	0.571	20.39
YEN	3.431	4.952	12.16	1000.	37.31	10.33	13.69	8280.	6.938	248.0
F Fr.	0.920	1.327	3.260	268.0	10.	2.768	3.669	2219.	1.860	66.48
S Fr.	0.332	0.480	1.178	96.84	3.613	1.	1.326	801.8	0.672	24.02
H Fl.	0.251	0.362	0.888	73.06	2.726	0.754	1.	604.9	0.507	18.12
Lira	0.414	0.598	1.469	120.8	4.506	1.247	1.653	1000.	0.838	29.96
C $	0.494	0.714	1.753	144.1	5.377	1.488	1.973	1193.	1.	35.75
B Fr.	1.383	1.997	4.903	403.2	15.04	4.163	5.519	3338.	2.797	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belg Fr per 100.

EURO-CURRENCY INTEREST RATES

Jan. 8	Short term	7 Days notice	1 Month	Three Months	Six Months	One Year
Sterling	12⅛-12⅜	12⅜-12⅝	12¾-12¹³⁄₁₆	12⅞-12¹⁵⁄₁₆	12⅛-12⅝	12⅞-12⅝
U.S. Dollar	7⅞-7⅞	7⅞ 8	7⅞-8⅛	7⅞-8⅛	7⅞-8⅛	8⅛-8⅛
Can Dollar	9⅛-9⅝	9½-9¾	9⅜-9⅝	9⅜-9⅝	9⅜-9⅝	9⅜-9⅝
D Guilder	5⅝-5¾	5⅝-5¾	5⅝-5¾	5⅝-5¾	5⅝-5¾	5⅞-5⅞
Sw. Franc	2-2¼	1⅛ 1⅜	3⅞-4	3⅞-4⅛	3⅞-4⅛	4-4⅛
Deutschmrk	4⅛-4⅜	4⅛ 4⅜	4⅛-4⅜	4⅛-4⅜	4⅜-4⅞	4⅝-4¾
Fr. Franc	8⅞-9	9 9¼	10⅛-10⅜	12 12¼	12-12¼	11-11½
Italian Lire	12-14	14¾-16¾	16-17⅛	16¼-17¼	15⅞-16½	15-15¾
B.Fr.(Fin)	9¾-10	9⅝-9⅞	9¾-10	9¾-10	9⅜-9⅝	9⅛-9⅜
Br.Fr (Con)	10½-10¾	10¼-10¾	10¼-10¾	10¼-10¾	9⅞-10⅛	9⅛-9⅝
Yen	7⅛-7¼	7⅛-7⅜	6¾-6⅞	6½-6⅝	6⅜-6½	6¼-6⅜
D. Krone	8½-9	8⅞-9⅜	8⅞-9⅜	9-9½	8⅞-9¼	8⅝-9⅛
Asian $ (Sng)	7⅞-8	7⅞-8	7⅞-8⅛	7⅞-8	7⅞-8	7⅞-8⅛

Long-term Eurodollars: two years 8⅞-8½ per cent; three years 8⅞-9 per cent; four years 9-9¼ per cent; five years 9⅛-9⅝ per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

CURRENCY MOVEMENTS

Jan. 8	Bank of England Index	Morgan Guaranty Change %
Sterling	77.9	−15.1
U.S. dollar	125.5	+15.4
Canadian dollar	80.4	−11.7
Austrian schilling	122.6	+6.4
Belgian franc	93.1	−9.2
Danish Kroner	84.0	−2.4
Deutsche mark	131.7	+12.2
Swiss franc	151.0	+11.5
Guilder	121.5	+7.4
French franc	70.3	−11.4
Lira	46.4	−19.2
Yen	176.2	+26.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

OTHER CURRENCIES

Jan 7	£	$
Arg'tina	1.1566-1.1579	0.8000-0.8010
Aus'alia	2.0960-2.0990	1.4495-1.4510
Brazil	15,564-15,664	10,775-10,830
Finland	7.8005-7.8130	5.3975-5.3995
Greece	211.60-215.95	146.50-149.50
H'kong	11.2725-11.2825	7.8040-7.8060
Iran	121.10*	84.65*
Kuwait	0.4170-0.4180	0.28820-0.28885
Lux'burg	72.25 72.35	50.05-50.15
Malay'as	3.5100-3.5200	2.4305-2.4585
N'Z'land	2.8765-2.8865	1.9920-2.0080
Saudi Ar	5.2660-5.2725	3.6508-3.6515
Sin'pore	3.0600-3.0700	2.1160-2.1800
S.Af.(Cm)	3.5635-3.5765	2.4660-2.4750
S.Af.(Fn)	4.8170-5.9830	3.3335-3.4485
U.A.E	5.2990-5.3045	3.6725-3.6735

* Selling rate.

CURRENCY RATES

Jan. 8	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.760285	0.617389
U.S.$	7½	1.09884	0.893352
Canadian $	9.62	*	1.24882
Austria Sch.	4	18.9649	15.3390
Belgian Fr	9¾	54.8871	44.6190
Danish Kr	7	9.80715	7.97549
D'mark	4	2.68381	2.18338
Guilder	5	3.02456	2.45862
French Fr	9½	8.22811	6.69218
Lira	15½	N/A	1489.23
Yen	5	221.471	180.146
Norway Kr.	8	8.28965	6.73282
Span'h Pta.	—	167.693	136.327
Swedish K	10½	8.31877	6.76677
Swiss Fr	4	2.27550	1.84015
Greek Dr'ch	20½	162.684	132.164
Irish Punt	—	N/A	0.715697

* C$/SDR rate for Jan 7: 1.53856.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu January 8	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.8320	44.6190	−0.48	+1.11	±1.5425
Danish Krone	8.12857	7.97549	−1.88	−0.29	±1.6421
German D-mark	2.23840	2.18338	−2.46	−0.87	±1.1455
French Franc	6.86402	6.69218	−2.50	−0.91	±1.3654
Dutch Guilder	2.52208	2.45862	−2.52	−0.93	±1.5162
Irish Punt	0.724578	0.715697	−1.09	+0.50	±1.6673
Italian Lira	1520.60	1489.23	−2.06	−1.52	±4.0856

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

FINANCIAL FUTURES

Very active

Trading was very active on the London International Financial Futures exchange yesterday, and although three-month sterling deposit futures weakened on the rise in UK clearing bank base rates, gilt futures finished stronger. March gilts opened at the day's low of 108-23, and rose to 109-08 before the announcement from the Bank of England that it would not operate in the bill market to relieve yesterday's money market shortage, but would instead lend money at 12½ per cent. Although this was a signal for a rise in base rates the market seemed relieved that the increase was only 1 per cent, and that the expected bad news was now out of the way. The initial reaction to the news was to push the price down to 108-30, but the contract closed at the day's high of 109-16, against 109-03 on Tuesday.

Three-month sterling deposits opened at 87.70, the day's peak, but fell to 87.60 as money market cash rates rose ahead of the Bank of England announcement.

The news from the authorities depressed the contract to 87.48, but it then recovered to 87.58 on relief that the base rate rise would be only 1 per cent. Sterling's lack of improvement in the dollar led to increased nervousness that this might not be the end of the story however, and sellers came back to push the price down to the low of 87.25, before it partially recovered to close at 87.44, compared with 87.88 at the previous settlement. Dealers noted that a large discount house was a prominent buyer at the low levels.

US Treasury bonds opened firm at 86-08, but weakened on better than expected US unemployment figures, which appear to have set back hopes of an early cut in the Federal Reserve's discount rate. Dealers were also nervous ahead of last night's US Treasury auction of 20-year bonds. Eurodollar futures also weakened on the unemployment data, despite a relatively low Federal funds overnight rate in New York.

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.4435	1.4380	1.4278	1.4133	1.3878

IMM—STERLING $s per £

	Latest	High	Low	Prev
March	1.4310	1.4360	1.4305	1.4315
June	1.4170	1.4205	1.4165	1.4175
Sept	1.4050	7.8060	1.4050	1.4070
Dec	1.3940	1.3940	1.3940	1.3970

LIFFE—STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4336	1.4375	1.4305	1.4310
June	1.4190	1.4190	1.4155	1.4165
Sept	1.4055	—	—	1.4040

Est. Volume 165 (118)
Previous day's open int. 2,030 (2,034)

LIFFE—DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.4110	0.4124	0.4111	0.4131
June	0.4141	0.4141	0.4141	0.4163

Est. Volume 86 (73)
Previous day's open int. 208 (183)

STERLING INDEX

	Jan 8	Previous
8.30 am	77.6	77.5
9.00 am	77.7	77.5
10.00 am	77.7	77.6
11.00 am	77.7	77.7
Noon	77.9	77.7
1.00 pm	77.9	77.7
2.00 pm	77.9	77.6
3.00 pm	78.0	77.4
4.00 pm	77.9	77.5

LONDON

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	109-16	109-16	108-23	109-03
June	108-29	—	—	108-18
Sept	116.07	—	—	108-26

Est. Volume 5,466 (4,205)
Previous day's open int. 4,907 (4,616)
Basis quote (clean cash price of 13½% Treasury 2004/08 less equivalent price of near futures contract) −4 to +6 (32nds).

10% NOTIONAL SHORT GILT £100,000 64ths of 100%

	Close	High	Low	Prev
March	94-60	94-60	94-44	95-02
June	95-11	—	—	95-17

Est. Volume 986 (587)
Previous day's open int. 952 (763)

THREE-MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
March	87.44	87.70	87.25	87.88
June	87.86	88.03	87.71	88.27
Sept	88.19	88.36	88.16	88.58
Dec	88.38	88.51	88.32	88.66

Est. Volume 12,091 (7,177)
Previous day's open int. 8,394 (8,396)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
March	141.90	143.65	141.30	143.35
June	143.40	—	—	144.85

Est. Volume 637 (348)
Previous day's open int. 1,910 (1,793)

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	92.11	92.30	92.07	92.24
June	92.00	92.19	91.95	92.12
Sept	91.85	92.00	91.81	91.93
Dec	91.60	91.75	91.56	91.67

Est. Volume 8,250 (3,721)
Previous day's open int. 17,908 (17,886)

LIFFE—EURODOLLAR OPTIONS $1m points of 100%

Strike price	Calls—Last March	June	Sept	Vol	Puts—Last March	June	Sept	Vol
90.00	2.11	2.01	—	—	0.00	0.01	—	—
90.50	1.61	1.53	—	—	0.00	0.03	—	—
91.00	1.12	1.07	1.06	—	0.01	0.07	0.20	—
91.50	0.65	0.67	0.70	—	0.04	0.17	0.35	—
92.00	0.28	0.36	0.42	—	0.17	0.36	0.57	—
92.50	0.08	0.15	0.22	60	0.47	0.65	0.87	10
93.00	0.01	0.05	0.10	—	0.90	1.05	1.26	—

Previous day's open int. Calls 2,103, Puts 2,223

LIFFE £/$ OPTIONS £25,000 (cents per £1)

Strike price	Calls—Last Jan	Feb	Mar	June	Sept	Puts—Last Jan	Feb	Mar	June	Sept
1.20	—	—	24.50	24.50	—	—	—	0.00	0.17	—
1.25	—	—	19.50	19.50	—	—	—	0.02	0.48	—
1.30	14.50	—	14.50	14.50	14.50	0.00	—	0.13	1.16	2.19
1.35	9.50	9.50	9.50	9.50	9.50	0.00	0.14	0.58	2.39	3.79
1.40	4.50	4.73	5.16	6.21	6.57	0.00	0.88	1.80	4.31	6.02
1.45	0.46	1.81	2.50	3.89	4.42	1.00	2.94	4.14	6.99	8.87
1.50	0.00	0.47	1.00	2.28	2.85	5.55	6.60	7.64	10.38	12.30

Estimated volume Total n.a., Calls 427, Puts 140
Previous day's open int. Calls 6,225, Puts 7,194

LONDON SE £/$ OPTIONS £12,500 (cents per £1)

Strike price	Calls—Last Jan	Feb	Mar	June	Sept	Puts—Last Jan	Feb	Mar	June	Sept
1.20	—	—	24.50	24.50	—	—	—	0.15	0.25	—
1.25	—	—	19.50	19.50	19.80	—	—	0.20	0.55	1.10
1.30	—	—	14.60	14.80	14.80	—	—	0.25	1.10	2.10
1.35	9.70	9.80	9.50	9.80	10.40	0.10	0.35	0.80	2.40	3.60
1.40	4.70	5.30	5.30	6.10	7.30	0.05	1.00	1.90	4.20	5.60
1.45	0.50	1.90	2.60	3.90	4.90	1.20	3.20	4.20	6.70	8.20
1.50	0.10	0.85	1.10	2.10	3.00	6.10	6.90	7.90	9.60	11.50

Previous day's open int. Calls 7,004, Puts 6,318, Volume 424

PHILADELPHIA SE £/$ OPTIONS £12,500 (cents per £1)

Strike price	Calls—Last Jan	Feb	Mar	June	Sept	Puts—Last Jan	Feb	Mar	June	Sept
1.20	—	—	—	—	—	—	—	—	—	—
1.25	—	—	—	—	—	—	—	—	—	—
1.30	—	—	—	14.35	—	—	—	0.20	—	—
1.35	—	—	—	—	—	—	—	—	2.10	—
1.40	4.20	—	5.20	—	—	0.05	0.75	1.75	3.90	—
1.45	0.30	1.75	2.50	—	—	0.90	—	—	—	—
1.50	—	—	—	—	2.90	—	—	—	—	—

Previous day's open int. Calls n.a., Puts n.a.
Volume (mid-day). Calls n.a., Puts n.a.

CHICAGO

US TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	85-26	86-21	85-21	85-19
June	84-23	—	—	84-17

Est. Volume 6,282 (2,838)
Previous day's open int. 2,891 (2,848)
++24— N — 3 4017.18½— N —

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	92.11	92.30	92.06	92.27
June	91.89	92.19	91.94	92.25
Sept	91.82	92.00	92.00	91.85
Dec	91.59	91.75	91.54	91.70
March	91.37	91.42	91.33	91.44
June	91.09	91.21	91.08	91.18
Sept	90.85	90.85	90.85	90.93
Dec	90.66	90.71	90.65	90.89

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	85-28	86-13	85-20	86-05
June	84-24	85-10	84-17	85-01
Sept	83-26	84-09	83-20	84-02
Dec	82-29	83-11	82-27	83-06
March	82-06	82-16	82-01	82-13
June	81-14	81-28	81-12	81-23
Sept	—	—	—	—
Dec	80-09	80-25	80-09	80-19
June	79-15	79-31	79-15	79-23

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	92.41	92.59	92.32	92.58
June	92.34	92.49	92.34	92.46
Sept	—	—	—	92.26
Dec	—	—	—	92.01

US TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	93.06	93.25	93.02	93.22
June	92.99	93.18	92.91	93.14
Sept	92.83	93.01	92.78	92.98
Dec	92.63	92.77	92.60	92.74
March	92.41	92.54	92.38	92.51
June	92.14	92.31	92.10	92.28
Sept	91.95	92.07	91.95	92.06
Dec	91.76	91.87	91.76	91.86

MONEY MARKETS

Base rates rise to 12½%

Midland Bank was the first of the clearing banks to raise its base rate by 1 per cent to 12½ per cent, in response to a signal from the Bank of England. This was the first change in base rates since July 30 last year, and was the result of growing concern about the general decline of sterling on the foreign exchanges and the high level of bank lending to the private sector.

UK clearing banks base lending rate 12½ per cent since January 9

The Bank of England forecast a money market shortage of £450m, which was later revised to £400m, but the authorities declined to operate in the bill market during the day, and invited the discount houses to borrow money after lunch at a rate of 12½ per cent. This announcement around noon was a clear signal that the Bank of England was willing to endorse an increase in base rates.

After the news discount houses buying rates for three-month eligible bank bills rose to 12½ per cent from 11⅞ per cent.

During the morning three-month interbank had risen to around 12⅞ per cent from 12¹/₁₆ per cent, and after the rise in rates, settled at 12½-12⅝ per cent, with all periods from seven days to 12 months at one time offered at 12⅞ per cent, indicating continued nervousness about the present situation.

Sterling has not been under any pressure against the dollar, but recently fell to a record low against the D-mark, while the latest UK money supply and bank lending figures were at best confusing and generally regarded as disappointing. The market was particularly worried by the December rise of £2.1bn in bank lending.

The authorities lent £330m to the houses until tomorrow, during the afternoon.

The main factors influencing the money market were: bills maturing in official hands, repayment of late assistance and a rake-up of Treasury bills draining £149m, with Exchequer transactions absorbing £265m, and a rise in the note circulation of £35m. These outweighed bank balances above target by £5m.

In Frankfurt call money rose to 4.55 per cent from 4.40 per cent as a net DM 5.1bn drained from the money market. The Bundesbank supplied DM 12.2bn by way of two securities repurchase agreements, but this did not fully replace the DM 17.3bn flowing out of the market as two earlier agreements expired. The Bundesbank council meets today, for the first time this year, but is not expected to adjust the German discount or Lombard rates.

NEW YORK RATES

(Lunchtime)

Prime rate	9½
Broker loan rate	9
Fed funds	7⅞
Fed funds at intervention	—
Treasury Bills & Bonds	
One month	6.54
Two month	6.93
Three month	7.36
Six month	7.53
One year	7.67
Two year	8.03
Three year	8.25
Four year	8.40
Five year	8.62
Seven year	8.86
10 year	9.00
30 year	9.22

MONEY RATES

Jan. 8	Ov'r-nig't	One Month	Two Months	Three Months	Six Months	Lombard Interv'tion
Frankfurt	4.6 4.6	4.65-4.80	4.65 4.70	4.60-4.75	4.65 4.75	5.5
Paris	8¾	9⅛ 9⅝	9-9⅛	9-9⅛	9⅛-9⅝	8¾
Zurich	⅞ 1⅛	3⅞ 4	—	3⅞-4⅛	—	—
Amsterdam	5⅝-5⅝	5¼-5⅜	—	5¼-5⅜	—	—
Tokyo	7.09375	7.05125	—	7.09375	—	—
Milan	14⅝ 15	15¼-15½	—	14⅝-15	—	—
Brussels	9.70	9¾ 9⅞	—	9¾ 9⅞	—	—
Dublin	8.8¾	10⅝-10⅞	11½-11¾	11⅞-12⅛	12-12¼	—

FT LONDON INTERBANK FIXING

(11.00 a.m. Jan. 8)

Three months U.S. dollars		Six months U.S. dollars	
bid 7 7/8	offer 8	bid 7 7/8	offer 8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Jan. 8	Over night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	9¾-13	11-12	12¼-12⅞	12⅜-12⅝	12⅜-12⅝	12½-12⅝
Sterling CDs	—	—	12⅜-12⅝	12⅜-12⅝	12½-12⅝	12⁷⁄₁₆-12⅝
Local Authority Depos	10-11½	11⅝-12⅜	12¾	12⅝	12½	12⅜
Local Author'y Bonds	—	—	13	12⅞	12⅞	12¾
Discount Mkt Depos.	10-10½	11⅛	12½	12¼	—	—
Company Depos.	10-11	11¼-11⅝	12¼	12½	—	—
Finance Hse Depos.	—	—	11⁵⁄₁₆	12¼	12¼	12¼
Treasury Bills (Buy)	—	—	11⅝	12¼	—	—
Bank Bills (Buy)	—	—	12⅝	12¼	12½	—
Fine Trade Bills (Buy)	—	—	13	12⅞	12¾	—
Dollar CDs	—	—	7.8-7.85	7.85-7.90	7.85-7.90	7.85-7.95
SDR Linked Depos.	—	—	7¾-8	8⅛-8⅜	8⅛-8⅜	7⅞-8⅛
ECU Depos.	—	—	9⅛-9⅜	9⅛-9⅞	9⅛-9⅞	9-9⅛

Treasury Bills (sell): one-month 12⅛ per cent; three months 12 per cent. Bank Bills (sell): one-month 12⅛ per cent; three-months 12-12⅛ per cent. Treasury Bills: Average tender rate at discount 11.2092 per cent. ECGD Fixed Finance Scheme IV reference rate December 4 to January 7 (inclusive): 11.938 per cent. Local authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 12 per cent from January 1 1986. Bank Deposit Rates for sums at seven days' notice 5⅞-5¾ per cent. Certificates of Tax Deposits (Series 6). Deposits £100,000 and over held under one month 11½ per cent; one-three months 11¾ per cent; three-six months 11¾ per cent; six-nine months 11¾ per cent; nine-12 months 11¾ per cent. Under £100,000 10¾ per cent from January 7. Deposits held under Series 5 11¾ per cent. Deposits withdrawn for cash 7½ per cent.

Contracts and Tenders

LONDON SHARE SERVICE

BRITISH FUNDS

1985/86 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101⅛	99⅛	Exch. 11¼pc '86	99⅞	–¼	11.78	12.97
99⅞	96¼	Treas. 10pcCnv 1986	99⅞	–⅛	10.03	12.56
97¼	92¼	Treas 3pc 1986	97⅛	–⅛	3.09	11.38
100	97½	Exch. 10½pc 1986	99⅜	–⅛	10.57	12.45
101¾	99¼	Treas. 12pc 1986	99⅞	–⅜	12.02	12.31
98⅞	94¾	Treas 8¾pc 1984-86‡‡	98¼xd	–⅛	8.65	12.29
105⅛	101¼	Exch. 14pc 1986	101¼	–⅛	13.84	12.36
95¾	87¼	Exch. 2½pc 1986	95⅛	–⅛	2.63	8.35
104⅛	101⅛	Exch. 13¼pc 1987	101⅛xd	–⅛	13.11	12.16
99⅞	96¼	Treas 10¼pcCv '87	98⅛xd	–⅛	10.44	12.14
93¾	85½	Exch 2½pc 1987	93⅛	–⅛	2.68	9.02
100⅛	96¼	Exch. 10½pc 1987	98⅛	–⅛	10.71	12.17
95⅛	89	Funding 6½pc '85-87‡‡	94	–⅛	6.91	11.55
99⅛	95½	Treas. 10pc 1987	97⅛	–⅛	10.28	12.09
92¾	84¼	Treas 3pc 1987	91⅞xd	–⅛	3.27	9.07
102⅞	99⅝	Treas. 12pc 1987	100⅛	–⅛	11.99	11.91
95⅛	90¼	Treas 7¾pc 1985-88‡‡	93⅛xd	–¼	8.33	11.67
100⅛	95¾	Exch 10½pc '88	97⅛	–¼	10.78	11.78
98⅛	93¾	Treas 9¾pc Cv '88	95⅛	–⅛	10.19	11.84
87¾	80	Transport 3pc '78-88	87⅛	–⅛	3.44	8.92
97¾	91½	Treas. 9½pc '88	94⅛	–⅛	10.05	11.81
102¾	97½	Treas 11½pc 1989	98⅞	–⅛	11.63	11.90
97⅛	90¼	Treas 9½pc Cnv. '89	93¾	–¼	10.13	11.83
84⅛	79	Treas 3pc 1989	83½	–¼	3.60	8.84
99¾	94	Treas 10½pc 1989	96⅛	–⅛	10.87	11.74
98¾	92	Exch 10pc 1989	94⅞xd	–¼	10.53	11.81
101⅛	95	Exch 11pc 1989	97¾	–⅛	11.25	11.74
86¼	79	Treas 5pc 1986-89	85	–⅛	5.88	9.85
40¼	37⅛	Exch 10½pcCv '89 (£40pd)	37⅛	–⅛	10.67	11.45
108⅞	103¾	Treas 13pc 1990‡‡	104⅛xd	–¼	12.46	11.63
101¾	96⅞	Exch 11pc 1990‡‡	97⅞xd	–⅛	11.25	11.71
108¼	100¾	Exch. 12¼pc 1990	102¾	–⅛	12.18	11.68
81⅛	75¼	Treas. 3pc 1990	80¼	–⅛	3.74	8.55
93¼	87¼	Treas 8¼pc 1987-90‡‡	90	–⅛	9.17	11.17

AMERICANS—Cont.

1985/86 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
19¼	869p	Bieth Steel $8	10¾		—	—	—
24	14⅞	Bowater Inc.	17¼	+⅛	72c	—	2.8
22⅛	15⅞	Brown'g-Fer. 16⅔c	21⅞xd		64c	—	2.0
37¾	23⅞	Brunswick Corpn.‖	32¾	+1	$1.00	—	2.1
39¾	29⅛	CPC Intl. 25c	35⅞		$2.20	—	4.2
25	16⅛	CSX Corp U.S.$1.00	22¾	+⅛	$1.16	—	3.4
21¼	11⅛	CalFed Inc $1.00	21¼	+1¼	32c	—	1.0
38⅛	25	Campbell Soup 30c	34⅝xd	–⅛	$1.32	—	2.6
31¼	23¼	Caterpillar Tractor‖	29		50c	—	1.2
902p	527p	Cetergy Corp. 25c	536p	–9	4c	—	0.5
53¼	34⅞	Chase M'htn $12.5	53⅛	+2⅛	$3.80	—	4.8
38¼	23⅞	Chemical New York	33¾	+1⅛	$2.48	—	4.9
34⅛	22	Chesebrough-Pond's $1	28¾	–½	$2.00	—	4.7
32¾	24⅛	Chrysler $6¼	31⅛	–¼	$1.00	—	2.1
42¼	27⅞	Citicorp $4	36⅞	+1½	$2.26	—	4.1
10⅛	662p	CityFed Fin. Corp.	873p	+25	40c	—	3.1
23½	18⅛	Colgate-P. $1	22⅝	+½	$1.36	—	4.0
57¾	41	Colt Inds. $1	43¾	+⅝	$2.50	—	3.9
29¼	19⅛	Cons Freightwys $0.625	26½	–⅝	$1.10	—	2.8
714p	460p	Cont'l Illinois Corp $1	683p	–1	—	—	—
155p	40p	Cont Illinois Hldgs $1	69p		—	—	—
238p	40p	Corporate Data Scnce.	40p		—	—	—
30¼	25¼	Crown Zell. $5	28¼xd	+¼	$1.00	—	2.4
44⅛	957p	Cullinet Sftwr $0.1	12¼	+¼	—	—	—
506p	235p	Damson Oil 40c	259p	+8	—	—	—
29	15⅞	Dana Corp. $1	19¾xd	+⅛	$1.28	—	4.4
67	22¼	Data General	31¼	+1⅛	—	—	—
77p	15½p	Derma-Lock Medicl	15½p		—	—	—
67	49⅛	Dun & Bradstreet $1	58⅞	+⅞	$1.88	—	2.2
55⅛	36⅛	Eaton Corpn. 50c	45⅛xd	+⅞	$1.60	—	2.4
46⅛	34	Exxon $1	38⅝	+⅝	$3.60	—	6.3
20¾	12⅛	FPL Group $0.01	19½	+⅛	$1.96	—	6.8
974p	374p	Fla. Corsn. Amer. 50c	752p	+60	—	—	—
23¼	14⅛	First Chicago $5	20⅞	+½	$1.32	—	4.3
17¾	970p	Fluor Corpn. 62½c	10¾	–⅛	40c	—	2.5

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

FINANCE, LAND—Cont.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

MINES—Continued

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

Miscellaneous

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
120	48	♥Colby Res Corp.	65	.....	—	—	—
550	175	Cons. March. 10c	250	.....	Q$0.06½c	3.9	‡
40	24	‡Enex Int. Ir10p	29	.....	—	—	—
123	70	Greenwich Res.	72	.....	—	—	—
215	115	Hampton Areas 10p	130xd	.....	3.75	0.9	3.9
260	135	♥Highwood Res.	175	.....	—	—	—
£22½	£15¼	Homestake Mining $1	£16½	+¼	Q20c	—	0.8
310	155	♥McFinley Red Lake	200	+5	—	—	—
395	195	♥Musto Explorations	225	+5	—	—	—
55	23	♥New Sabina Res C$1	42	.....	—	—	—
375	195	Northgate C$1	240	.....	—	—	—
685	507	RTZ	520	−2	†20.0	2.8	5.5
£145½	£114½	Do. 9½pcLn '95-2000	£115	.....	Q9½%	14.0	8.3
980	812	♥Tara Exptn $1	812	−13	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✚ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ⌗ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ⁑ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- Ⅱ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xi ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	102	.....
Craig & Rose £1	850	.....
Finlay Pkg. 5p	45	.....
Holt (Jos) 25p	700	.....
IoM Stm. £1	57	.....
IRISH		
Fund 11¼% 1988	£97⅝	.....
Nat. 9¾% 84/89	£92⅞xd	.....
Fin. 13% 97/02	£104⅝	.....
Arnotts	230	.....
CPI Hldgs	60	.....
Carroll Inds.	158	.....
Dublin Gas	70	.....
Hall (R. & H.)	53	+3
Heiton Hldgs.	25	.....
Irish Ropes	47xd	.....
Unidare	133	.....

"Recent Issues" and "Rights" Page 38 (International Edition Page 30)

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Dec 23	Jan 9	Jan 10	Jan 20
Jan 13	Jan 23	Jan 24	Feb 3
Jan 27	Feb 6	Feb 7	Feb 17

* "New-time" dealings may take place from 9.30 am two business days earlier.

Base rate increases hit market Equities and Gilts fall further

A continuation of the upward pressure on London short-term interest rates led to the inevitable rise in Bank base rates yesterday, sending a wave of depression throughout the stock market. Higher opening values for many leading industrials, which were a reflection of the surge to record levels on Wall Street overnight, were soon challenged by both institutional and smaller investors and the tone deteriorated fast.

Selling was aggressive throughout the morning trade and concentrated on the recently-strong Stores sector. Around midday business quietened but the market remained uneasy awaiting the Bank of England's actions in money markets where the three-month interbank rate had risen to 12½ per cent. Shortly after 12.30 pm the Bank signalled approval of higher rates and within minutes Midland Bank announced a one percentage point increase from 11½ to 12½ per cent. Later in the day, Barclays, NatWest and Lloyds made identical moves.

Confirmation so soon of Tuesday's fears of increased borrowing costs stunned traders. Many thought the development unwarranted in view of the present level of sterling and the renewed optimism sweeping the US for lower credit charges. A combination of cheap buying and professional closing of short positions consequently steadied the market and the FT Ordinary share index rallied form 15.1 down to close 11.5 lower on the day at 1,123.8. Over the past three sessions, the index has fallen 25.8.

Rising interest rates together with the continued growth in UK bank lending disturbed Gilt-edged securities. Longer maturities fell ½ further and the market was decidedly nervous until the authorities unexpectedly cut prices of two of the recently-created £150m tranches of stock. Demand then revived and eventually the Government broker's supply of Exchequer 10½ per cent 1997 and Conversion 9½ per cent 2004 ran out at the respective prices of 99⅞ and 92⅜; in the after-hours' business, another taplet Conversion 9¾ per cent was exhausted at 91⅞.

The longer end of the market recovered to close only ⅛ easier on balance but short-dated stocks stayed under pressure. Partly-paid Exchequer 10½ per cent Convertible 1989 fell $\frac{1}{16}$ more to 37$\frac{9}{16}$. The authorities helped the troubled index-linked sector by taking stock off the market but it still lost ground, some prices by as much as ½.

Sun Alliance rise

The upgrading of a broker's profit forecast gave a boost to Sun Alliance which raced up to 578p before profit-taking left the close a net 18 up at 553p. Other Composite Insurances, better initially in sympathy with SA, succumbed to the surrounding weakness and generally closed lower on balance. Royals were finally 10 off at 805p, after 828p, and General Accident 8 cheaper at 722p, after 738p. West Germany's Allianz attracted renewed demand and, in a market short of stock, advanced to £718 prior to closing 37 points higher at £712; the rise was again accompanied by rumours that the group was about to embark on a fund-raising exercise to finance a major acquisition. Life Insurances fluctuated narrowly before settling a few pence easier, but Lloyds brokers displayed a firm feature in Sedgwick which rose 8 more to 380p, awaiting today's third-quarter figures.

The major clearing banks fluctuated quite sharply before settling a shade lower. Midland moved between extremes of 445p and 433p prior to closing 5 cheaper at 435p. Barclays touched 465p initially but eased back to close a couple of pence off at 457p; the company has applied for a listing on the Tokyo Stock Exchange.

Distillers edged higher to close a net 10 to the good at 497p following extension of the unwelcome Argyll offer until January 28; minimal acceptances have so far been received and the bid is still awaiting clearance from the Department of Trade and Industry. Leading Breweries often finished above the worst, although trading remained extremly thin. Bass down to 643p earlier, settled 10 off on balance at 655p, while Guinness, due to reveal annual results next Tuesday, dipped a few pence to 303p, after 301p. Vaux, still regarded as a likely target for Ladbroke, closed 8 higher at 375p.

Leading Buildings came under selling pressure and gave considerable ground before staging a minor rally towards the close. Blue Circle settled 11 down at 572p, while Tarmac lost 8 to 370p, while RMC weakened 4 more to 446p. Construction issues were also hard hit with Taylor Woodrow 10 off at 490p and Barratt Developments 4 down at 124p. Profit-taking clipped 5 from Robert M. Douglas at 83p and 3 from Bett Brothers at 77p. Against the trend, Tilbury Group hardened a couple of pence to 142p on takeover hopes, while Alfred McAlpine firmed 4 to 320p; the latter's annual results are due next month.

ICI progressed to 768p helped by Wall Street influences, but subsequently eased to 758p before revived US demand left the close only a couple of pence cheaper on balance at 762p. Elsewhere in the Chemical sector, Wardle Storeys gained 8 to 218p, after 221p, in reply to the good annual results, while Hickson International rose 10 to 345p in a restricted market.

FINANCIAL TIMES STOCK INDICES

	Jan. 8	Jan. 7	Jan. 6	Jan. 3	Jan. 2	Dec. 31	year ago
Government Secs	81.66	81.79	82.15	82.51	82.79	82.81	81.83
Fixed Interest	87.96	88.15	88.51	88.73	88.82	†88.79	85.32
Ordinary ♥	1123.8	1135.3	1141.8	1149.6	1138.5	1131.4	983.1
Gold Mines	286.6	277.2	267.4	257.6	257.5	249.8	451.3
Ord. Div. Yield	4.41	4.37	4.34	4.32	4.36	4.38	4.41
Earnings, Yld. %(full)	10.96	10.86	10.80	10.75	10.84	10.89	11.21
P/E Ratio (net) (*)	11.26	11.36	11.43	11.48	11.39	11.33	10.71
Total bargains (Est.)	25,138	26,362	23,856	19,440	17,926	18,379	28,155
Equity turnover £m.	—	517.97	455.77	360.26	269.10	230.91	645.10
Equity bargains	—	24,739	27,244	19,969	14,892	16,851	28,331
Shares traded (ml)	—	294.0	247.8	191.0	145.0	124.9	309.6

♥ 10 am 1136.6. 11 am 1131.5. Noon 1120.4. 1 pm 1121.7. 2 pm 1121.7. 3 pm 1122.7. 4 pm 1123.7.
Day's High 1137.8. Day's Low 1120.2.
Basis 100 Government Securities 15/10/26. Fixed Interest 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.
Latest Index 01-246 8026.
*Nil=10.84.
† Correction.

HIGHS AND LOWS

—	1985/6 High	1985/6 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	84.57 (18/10/85)	78.02 (28/1/85)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	90.98 (25/10/85)	82.17 (28/1/85)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1149.6 (3/1/86)	911.0 (5/12/85)	1149.6 (3/1/86)	49.4 (26/6/40)
Gold Mines	536.9 (15/4/85)	217.6 (5/11/85)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

INDICES	Jan. 7	Jan. 6
Daily		
Gilt Edged Bargains	135.4	133.8
Equities Bargains	160.3	176.5
Value	104.7	921.2
5 day Average:		
Gilt Edged Bargains	105.7	96.3
Equities Bargains	134.4	122.3
Value	737.4	617.2

British Benzol attracted further speculative support on asset injection hopes and gained 6 more to 69p.

Stores hit again

Worries over base rates and a consequent decline in consumer spending continued to take a heavy toll of leading Retailers. For the second successive session, falls extended well into double-figures with Woolworth 25 off for a two-day loss of 45 to 490p, and Burton 19 cheaper at 518p. Liquidation of several bull positions exaggerated losses in Habitat Mothercare, 35 off at 395p, and British Home Stores, finally 22 lower at 288p; Storehouse, the quotation resulting from the merger of Habitat and BHS, opened at 310p and quickly dipped to 277p following a broker's cautious circular before settling at 288p. Sizeable falls were also noted for Freemans and Grattan which reacted 12 apiece to the common level of 326p, after 316p, and W. H. Smith "A" 10 cheaper at 266p, after 264p; the last-mentioned is due to announce interim results towards the end of the month.

Secondary Stores mirrored the trend of leaders with Bentalls down to 137p before closing 10 off on balance at 141p. Ward White shed a similar amount to 258p, along with Our Price, at 510p. A rare firm spot was provided by Hollas which hardened a couple of pence to 31p; brokers de Zoete and Bevan have highlighted the company's yield following increased first-half profits.

With the exception of Thorn EMI, which eased 10 to 409p in front of today's interim figures, falls in the Electrical leaders were limited to a couple of pence. Secondary issues met with occasional selling. Eurotherm dipped 15 to 310p, while falls of around 8 were marked against Atlantic Computer, 207p, International Signal, 333p, and MK Electric, 273p. Against the trend, United Scientific hardened 2 to 185p following acquisition news, while First Castle gained 4 to 162p on hopes of an increased offer from Morgan Crucible. Telemetrix were noteworthy for a rise of 12 at 109p. Among USM stocks, TDS Circuits advanced 25 to 145p and DBE Technology 5 more to 70p.

Falls in the Engineering leaders were relatively modest, Hawker easing 6 to 449p. Elsewhere, Desoutter continued to make progress at 190p, up 5, while Banro moved up 8 to 138p in belated response to CH Industrial's increased stake in the company. Revived offerings left Carclo 7 cheaper at 263p, while Westland eased 5 to 78p awaiting the outcome of the bid battle. TI reacted 8 more to 365p. Vosper, a rising market of late on nationalisation compensation hopes, dipped 18 to 220p in a limited market.

The move towards dearer credit with its possible effect on disposable income hit Food Retailers fairly hard. Tesco came on offer and fell 7 to 293p, while J. Sainsbury shed 4 to 368p. ASDA-MFI, however, were underpinned to a certain extent by the satisfactory interim results and cautiously optimistic statement, the shares closing unchanged at 138p, after 142p.

Grand Metropolitan succumbed to fresh profit-taking and closed 8 lower at 385p.

Boots above worst

Boots, reflecting yet another shakeout in the Store sector, came under renewed selling presure and fell away to 240p before rallying to close 7 down on balance at 245p. Other leading miscellaneous industrials also closed a few pence or so above the worst. Beecham settled 5 lower at 335p, while BTR ended 7 cheaper at 373p and Pilkington a like amount down at 323p. Metal Box eased 8 to 550p.

Motors were irregular. Jaguar traded in lively fashion between extremes of 355p and 348p before settling a penny dearer on balance at 352p. Reliant Motor attracted "call" option activity and rose 5 to 41p, after 43p.

Leading Properties sustained moderate losses before staging a tentative rally late in the session. Land Securities settled a couple of pence off the bottom at 294p, down 4, but MEPC ended 5 off at 293p.

Among Financial Trusts, Stock Exchange £4.25 per cent Annuities were marked 24 points higher to £100 ahead of the early redemption at par value on January 17; the original redemption date was May 1.

Oils easier

Worries over the possibility of another bout of weakness in oil prices prompted further falls throughout the oil sector. The leaders all lost a few pence, led by BP which gave up 7 to 548p, LASMO, a like amount off at a 1985 low of 203p and Enterprise Oil, 4 cheaper at 140p. Royal Dutch/Shell, on the other hand, were sustained by the strong gains on Wall Street overnight with the former up £2 at £46⅛ and the later a further 7 better at 685p.

Lonrho again attracted substantial traded and traditional option business and advanced 10 more to 225p despite a statement from the company aimed at defusing current speculation; Lonrho is scheduled to reveal preliminary results at the end of this month and has risen 22 so far this year.

Good gains in Golds

Another general upsurge in mining markets was again spearheaded by diamond producer De Beers and the South African platinum mines Impala and Rustenburg.

De Beers raced ahead for the sixth consecutive trading session to close 11 up at 384p following a favourable Press reception given to the 13 per cent increase in world diamond sales during 1985. Platinums continued to attract strong support from most international centres reflecting the recent sharp rise in platinum prices in the wake of the disruption of production at Impala's mines in South Africa. Impala touched 632p before a reaction in the metal price left the shares a net 15 better at 627p—a two-day rise of 77—while Rustenburg surged 36 more to 582p; the latter's interim results are expected shortly. Lydenburg Platinum were marked up 25 to 485p.

South African Golds were by no means overshadowed by De Beers and the Platinums and posted strong gains for the seventh successive trading day. Prices were marked higher at the outset and continued to make progress throughout the day, boosted by persistent Johannesburg and Continental buying, before closing a shade off the day's best levels following the emergence of US profit-taking. The top-quality issues were particularly favoured, especially Driefontein which moved up a further ½ to £11⅝ ahead of the quarterly results expected next week, along with results from the other mines in the GFSA group.

The Gold Mines index put on 9.4 more to 286.6, a seven-day gain of 46.8. Bullion closed a further $2.75 higher at $332.5—the first time it has closed above $330 since the end of November last year.

London-based Financials were restrained by the weakness of domestic equities but their South African counterparts continued to gain ground. "Amgold" added £1½ at £47¾ and GFSA were 33 firmer at 848p.

Australian issues made further good progress in much livelier trading than of late. Golds remained well to the fore with Central Norseman outstanding and finally 30 higher at 343p, Gold Mines of Kalgoorlie 27 better at 407p and Noth Kalgurli 4½ to the good at 38½p. ACM were a similar amount up at 70p. The leading mining houses showed Western Mining 9 firmer at 163p.

Traded Options

Increased activity in the underlying shares was reflected in Traded Options, which recorded 18,229 contracts — 13,058 calls and 5,171 puts. A breakdown of yesterday's business was not available owing to technical problems at LOCH.

NEW HIGHS AND LOWS FOR 1985/86

NEW HIGHS (43)
AMERICANS (5) Ahmanson, CalFed, Pennzoil. BUILDINGS (1) Cement-Roadstone. STORES (1) Limited Inc. ELECTRICALS (3) First Castle, Sunleigh Electronics, UEI. ENGINEERING (3) Hill and Smith, Linread, Wyndham. FOODS (1) Wessanen (Kon). INDUSTRIALS (8) AGA AB, Alexandra Workwear, Alfa-Laval, Astbury and Madeley, Halma, Pearson, Siebe, Spring Ram. INSURANCES (2) Allianz AG, FAI Insurances. LEISURE (1) First Leisure. MOTORS (2) Volvo, Cowie (T.). PROPERTY (2) London Shop Prop Ordinary and 9pc Cnv 1994-99. TEXTILES (1) Stroud Riley Drummond. TRUSTS (10) Cambrian and Gen, European Assets, Fleming Claverhouse, German Smaller Co's Invest, Robeco Ord and Sub shares, Rolinco Ord and Sub shares, Keywest Invests, SE £4½pc Ann. OILS (1) Bell Resources. OVERSEAS TRADERS (1) Lonrho. MINES (1) Free State Development.

NEW LOWS (40)
BRITISH FUNDS (13) Exchequer 14pc 1986, Exchequer 13¼pc 1987, Exchequer 10¼pcCnv 1989, Treasury 10pc 2001, Conversion 9¾pc 2001, Treasury 2½pc 2001, Treasury 2½pc 2003, Treasury 2pc 2006, Treasury 2½pc 2009, Treasury 2½pc 2011, Treasury 2½pc 2013, Treasury 2½pc 2016, Treasury 2½pc 2020. INTERNATIONAL BANK AND OVERSEAS GOVERNMENT STERLING ISSUES (2) Finland 14½pc Loan 1986, Malaysia 10¾pc Ln 2009. LOANS (1) Nationwide 12½pc 9/6/1986. BANKS (1) King and Shaxson. BUILDINGS (1) AMEC. INDUSTRIALS (2) Sespak, Sidlaw. LEISURE (2) Nationwide Leisure, SeaCo Inc. NEWSPAPERS (1) Intnl Thomson. PAPER (6) Boase Massimi Pollit, Chapman Inds, Davidson Pearce, Geers Gross, Good Relations, Moorgate Group. PROPERTY (2) London Prov Shop, Lynton Holdings. TRUSTS (1) Nevi Baltic. OILS (7) Carless Capel, Enterprise Oil, Global Natural Resources, LASMO, Marinex, Night Hawk Resources, North Sea and General Invest. PLANTATIONS (1) Rowe Evans.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1985/6 High	1985/6 Low	Stock
$A3.75	Nil	21/2	40pm	27pm	ANZ $A1
110	F.P.	26/2	121	115	Barham Group 2½p
52	Nil	21/2	15pm	7pm	Goal Petroleum 5p
68	F.P.	24/1	71	68	Hartwells
240	Nil	21/2	40pm	30pm	Hogg Robinson
16	Nil	—	1½pm	1pm	‡Imtec 10p
120	Nil	28/1	125	110	‡Ind. Scot. Energy £1
360	Nil	31/1	54pm	28pm	Lovell (Y. J.)
475	F.P.	31/1	550	510	Mountleigh
165	Nil	28/2	7pm	2pm	Smith Bros.
15	Nil	—	3½pm	3pm	Stormgard 10p
52	Nil	—	59pm	50pm	Unigroup 15p

Renunciation date usually last day for dealing free of stamp duty. ... based on prospectus estimates. g Assumed dividend and yield. ... dividend cover on earnings updated by latest interim statement. ... and Yield based on prospectus or other official estimates for 1986. ... dividends: cover relates to previous dividend: p/e ratio based on latest ... earnings. u Forecast otherwise indicated. ¶ Issued by tender. ‖ Offered ... of ordinary shares as a "rights." ** Issued by way of capitalisation. ... price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation ... takeover. ‖‖ Allotment price. ‡‡ Dealt in under Rule 535 (3). ♥ Dealt ... Rule 535 (4) (a). † Units comprising five ordinary and one warrant ... comprising 12 preference shares and one warrant, at £12 per unit.

TRADITIONAL OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 6	Jan 17	Apr 10	Apr 21
Jan 20	Jan 31	Apr 24	May 6
Feb 3	Feb 14	May 8	May 19

For rate indications see end of Unit Trust Service

Call options were taken out in United Scientific, Sears, WA Holdings, Tricentrol, Lonrho, Chloride, Apricot Computers, Sunleigh Electronics, STC, Logica, Plan Invest, Pavion, Somportex, Parkfield, Bond Corporation, John Brown, Allied-Lyons, Reliant Motor, Stothert and Pitt, Kwik-Fit, Abaco Investments, Pegler-Hattersley, Westland, Noble and Lund, Burns-Anderson, Northern Engineering Industries, Amstrad, Davy Corporation, Martin Ford, Sound Diffusion, Aquarius, and C. H. Bailey. No puts were reported, but doubles were taken out in Microvitec and Aquarius.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	—	92	17
Corpns, Dom. and Foreign Bonds	1	37	43
Industrials	184	514	802
Financial and Props.	66	198	316
Oils	13	35	79
Plantations	2	3	13
Mines	80	13	87
Others	103	39	85
Totals	449	921	1,442

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Barclays	457	− 2
Boots	245	− 7
British Home Stores	288	−22
Combined Eng. Stores	150	−10
Freemans	326	−12
Grattan	326	−12
Habitat Mothercare	395	−35
Jaguar	352	+ 1
Lloyds Bank	477	− 1
Midland Bank	435	− 5
Storehouse	288	—
Woolworth	490	−25

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
GUS A	18	777	−33
STC	17	105	− 4
Barclays	16	459	−13
Br. Home Strs.	15	310	−22
Burton	14	537	−15
BICC	13	255	+ 5
BSR Intl.	13	73	+ 5
Boots	13	252	− 9
Brit. Aerospace	13	473	− 2
Pepe	13	96	+11
Hanson Trust	12	200	+ 5
ICI	12	764	+ 4

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 82,696

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
P. & O. (*436)	360	85	—	—	1	—	—
	390	55	65	—	2	5	—
	420	30	43	63	8	18	25
	460	12	18	28			

Option		Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
B.P. (*550)	500	80	70	87	2	12	17
	550	12	35	62	12	35	42
	600	1½	12	27	55	70	73
Cable & Wire (*585)	550	44	64	80	1½	15	20
	600	6	38	50	14		

January 8. Total contracts 18,229. Calls 13,058. Puts 5,171. *Underlying security price.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed Jan 8 1986

	Figures in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1986 to date	Tues Jan 7 Index No.	Mon Jan 6 Index No.	Fri Jan 3 Index No.	Year ago (approx.) Index No.
67	Insurance (Brokers) (8)	1215.33	+1.0	6.97	3.59	19.16	0.00	1202.96	1202.40	1180.10	1066.44
68	Merchant Banks (11)	285.45	−0.9	—	3.65	—	0.00	288.16	287.69	283.97	238.68
69	Property (51)	665.83	−1.4	5.97	3.70	22.42	0.00	675.26	685.29	681.53	642.60
70	Other Financial (25)	293.15	−0.9	8.07	4.66	15.30	0.00	295.73	297.59	297.47	273.28
71	Investment Trusts (104)	649.77	−0.5	—	3.32	—	0.00	652.99	656.81	653.21	572.88
81	Mining Finance (3)	246.70	—	13.56	6.30	8.58	0.00	246.74	243.20	244.93	271.22
91	Overseas Traders (14)	618.96	+0.8	13.18	6.47	8.98	0.00	613.75	608.51	603.38	631.72
99	ALL-SHARE INDEX (739)	680.04	−0.8	—	4.35	—	0.00	685.36	689.86	690.80	605.33

	Index No.	Day's Change	Day's High	Day's Low	Jan 7	Jan 6	Jan 3	Jan 2	Dec 31	Year ago
FT-SE 100 SHARE INDEX	1404.2	−11.0	1419.3	1400.3	1415.2	1424.1	1429.8	1420.5	1412.6	1259.2

FIXED INTEREST

	PRICE INDICES	Wed Jan 8	Day's change %	Tues Jan 7	xd adj. today	xd adj. 1986 to date
	British Government					
1	5 years	117.06	−0.20	117.30	—	0.36
2	5-15 years	128.59	−0.20	128.84	—	0.00
3	Over 15 years	134.60	−0.06	134.69	—	0.23
4	Irredeemables	147.93	−0.21	148.25	—	0.00
5	All stocks	127.22	−0.18	127.45	—	0.17
6	Debentures & Loans	109.97	−0.15	110.14	—	0.00
7	Preference	81.60	−0.06	81.65	—	0.00
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	106.57	−0.47	107.07	—	0.00

	AVERAGE GROSS REDEMPTION YIELDS		Wed Jan 8	Tues Jan 7	Year ago (approx.)
	British Government				
1	Low	5 years	9.94	9.87	10.56
2	Coupons	15 years	10.41	10.39	10.47
3		25 years	10.42	10.39	10.85
4	Medium	5 years	11.63	11.55	11.14
5	Coupons	15 years	10.85	10.84	10.88
6		25 years	10.47	10.46	10.58
7	High	5 years	11.72	11.63	11.38
8	Coupons	15 years	11.04	11.02	11.02
9		25 years	10.58	10.59	10.36
10	Irredeemables†		10.15	10.12	9.95
11	Debs &	5 years	12.05	11.94	11.75
12	Loans	15 years	11.62	11.60	11.71
13		25 years	11.60	11.59	11.67
14	Preference†		12.01	12.00	12.78
15	Inflation rate	5%	3.96	3.92	3.37
16		10%	3.78	3.74	3.19

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

WORLD STOCK MARKETS

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Schillings.

AUSTRALIA (continued)

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

CANADA

TORONTO

Prices at 2.30pm

January 8

MONTREAL

Closing prices January 7

F—No voting rights or restricted voting rights.

Total Sales 3,468,344 shares

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

NYSE-Consolidated 1500 Actives

Advances 722 Declines 887

TORONTO	Jan 8	Jan 7	Jan 6	Jan 3	1985/86 High	1985/86 Low
Metals & Minls	2,142.8*	2,119.1	2,085.3	2,079.9	2198.7 (13/2/85)	1748.82 (31/10/85)
Composite	2,893.8*	2,888.6	2,867.2	2,861.4	2900.6 (31/12/85)	2348.5 (8/1/85)
MONTREAL Portfolio	141.14*	140.91	139.88	140.6	142.87 (17/12/85)	117.00 (4/1/85)

* Indicates pre-close figure

** Saturday January 4: Japan Nikkei 13,136.9. TSE 1,049.13.

Base value of all indices is 100, except: JSE Gold—255.7.; JSE Industrial—264.3; Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto Indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

Continued from Page 33

Stock	Sales (Hnds)	High	Low	Last	Chng
Zondvn	798	14¼	13⅝	13⅞	+ ¼
Zymos	220	2½	2⅜	2⅜	− ⅛

LONDON

Chief price changes

(in pence unless otherwise indicated)

RISES

Banro Ind	138	+ 8
British Benzol	69	+ 6
Cen. Norseman	343	+30
De Beers Defd	384	+11
Hickson Int	345	+10
Lonrho	225	+10
Park Place Inv	243	+ 7
Reliant Motor	41	+ 5
Rustenburg Plat	582	+36
Sedgwick	380	+ 8
Somportex	168	+14
SE £4¼% Annuit	£100	+24
Sun Alliance	553	+18
Wardle Storeys	218	+ 8
Western Mining	163	+ 9

FALLS

Ex 10¼% Cnv '89	£37⁹⁄₁₆	−⁷⁄₁₆
Tr 2½% Il '20	£87¾	− ½
Blue Circle	572	−11
Boots	245	− 7
Brammer	335	−12
Brit Home St	288	−22
Burton	518	−19
Carless Capel	90	− 8
Grand Met	385	− 8
Habitat Mother	395	−35
Tarmac	370	− 8
Thorn EMI	409	−10
Vosper	220	−18
Westland	78	− 5
Woolworth	490	−25

NYSE COMPOSITE CLOSING PRICES

Continued from Page 33

LONDON STOCK EXCHANGE IN 1985

Takeover frenzy boosts turnover 44%

LONDON Stock Exchange turnover remained relatively high throughout 1985, *writes Graham Deller in London.*

Business in equities was particularly buoyant, rising slightly more than 44 per cent to a record £105.55bn ($151bn) reflecting unprecedented corporate takeover activity.

Several UK household names, including House of Fraser, Arthur Bell and Debenhams, fell to predators. Other substantial bids still outstanding at the year-end included Elders IXL's offer for Allied-Lyons, Argyll Group's bid for Distillers and Hanson Trust's approach to Imperial Group.

Consequently, the number of bargains transacted in ordinary shares increased to 557m from the previous year's total of 485m. The average value per equity bargain amounted to £19,000 – a rise of £3,750 on 1984's figure.

The Financial Times Turnover index for ordinary shares, which achieved an all-time peak of 2,173 in November, registered a monthly average for 1985 of 1,569.

During 1985 the FT Ordinary index ranged between 911.0 and the then record of 1,146.9 before settling a net 179.1 higher at 1,131.4.

DECEMBER 1985

Category	Value £m	% of total	No. of bargains	% of total	Average daily value £m	Average bargain value £000s	Average no. of daily bargains
BRITISH FUNDS							
Short dated (5 years or less to run)	7,654.9	27.9	23,205	4.7	382.8	329.9	1,160
Others (over 5 years)	9,134.1	33.3	27,057	5.5	456.7	337.6	1,353
TOTAL	16,789.0	61.2	50,262	10.2	839.5	334.0	2,513
IRISH FUNDS							
Short dated (5 years or less to run)	334.7	1.2	772	0.2	16.7	433.5	38
Others (over 5 years)	579.1	2.1	1,206	0.2	29.0	480.2	60
UK LOCAL AUTHORITY	56.2	0.2	996	0.2	2.8	56.4	50
OVERSEAS GOVERNMENT	138.1	0.5	1,120	0.2	6.9	123.3	56
OTHER FIXED INTEREST	246.5	0.9	20,550	4.2	12.3	12.0	1,028
ORDINARY SHARES	9,284.2	33.9	419,714	84.8	464.2	22.1	20,986
TOTAL	27,427.8	100.0	494,620	100.0	1,371.4*	55.5*	24,731*

* Average of all securities

In contrast, turnover in British government securities declined slightly. In spite of attaining an all-time high in July, business in gilts amounted to £261.53bn – a fall of 2.7 per cent. Bargains struck in gilts totalled 757,248. The monthly average of the Financial Times Turnover index for government securities was 922.4 against 947.6 in 1984. Gilt-edged prices fluctuated narrowly throughout the year as shown by the FT Government Securities index, which rose only 1.10 over the period to 82.81.

Overall turnover last year rose 7.1 per cent to a record £390.47bn. The Financial Times Turnover index for all securities averaged 997.1.

Business levels during December fell prey to traditional seasonal influences. Equity turnover dipped by £2.92bn, or almost 24 per cent, to £9.28bn, while the Financial Times Turnover index for ordinary shares fell to 1,656.7.

Overall turnover last month fell £6.59bn, or 19.4 per cent, to £27.43bn while the Financial Times Turnover index for all securities was 840.5 compared with November's measure of 1,042.5.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
27⅝	16	AAR	.56	2.1	17	185	27⅝	27¼	27¼	-⅛
24⅝	10¼	AGS			19	541	24⅝	23½	23⅝	-¾
15⅝	9⅞	AMCA				20	11⅝	11⅜	11⅜	+⅛
50¾	33½	AMR			7	4864	41⅞	39½	39⅝	-⅞
24¾	18⅝	AMR pf2.18		9.3		284	23⅝	23½	23½	-⅛
11¾	7⅝	APL			5	5	10¾	10¾	10¾	-⅛
16¾	8⅝	ARX			14	238	14⅞	14½	14¾	
55⅝	32¾	ASA	2a	5.3		1518	38¼	37	38	+⅞
27	10½	AVX		2.2		369	15⅛	14¾	14¾	-⅛
28⅛	20⅝	AZP	2.72	10.	8	6679	28⅛	27⅞	27⅞	-⅜
72	39⅞	AbtLab 1.40		2.1	18	2456	70⅞	66⅞	67	-3½
27	19⅝	AccoWd .50		1.9	20	780	27	26⅝	26¾	
24¾	10	AcmeC .40		2.9	20	318	14⅝	14	14	-½
10½	7	AcmeE .32b		3.9	13	150	8⅝	8¼	8¼	
19¾	15½	AdaEx 1.93e		10.		165	19¾	19¼	19¼	-⅜
22¾	14	AdmMl .40		1.8	9	100	22⅜	21⅞	21⅞	
18⅝	8¾	AdvSys 1.36t		7.9	16	282	17¾	17	17¼	
36⅝	22⅛	AMD			40	3127	28⅞	26¾	26⅞	-2⅛
12⅝	10⅝	Adobe n				789	u12½	12¼	12¼	
18¼	14⅝	Adob pf 1.84		10.		1010	18¼	18	18	-⅛
18⅞	15¼	Adob pf 2.40		13.		35	u18¼	18	18¼	+⅛
14⅜	7¾	Advest .12a		1.0	18	484	13¾	12⅝	12⅝	-⅞
54⅝	36⅞	AetnLf 2.64		4.8	18	5826	u55½	54½	54½	-⅛
57½	52½	AetL pf5.19e		9.7		65	53¾	53½	53¾	+⅛
53½	24⅝	Ahmns 1.20		2.4	8	4986	u54	49½	49¾	-3¾
3⅝	2½	Aileen				834	u	3¾	3⅝	3⅝	+⅛
68¼	44½	AirPrd 1.48		2.3	14	710	67⅛	64½	64½	-1¾
24⅜	17½	AirbFrt .60		3.2	11	309	19⅝	19	19	-½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
6⅛	3½	BengtB								
9	3⅞	Berkey								
15⅝	11¼	BestPd .24								
21⅛	12½	BethStl								
49⅛	36¾	BethSt pf								
24¼	18⅛	BethSt pf2.50								
40⅛	31	Beverly .32								
20	18¾	BevIP n								
26⅝	19⅞	BigThr .88								
24⅛	13⅛	Blocit n								
16	8¾	Blcft wi								
26⅞	17¼	BlackD .64								
41⅛	28⅝	BlckHP 1.92								
27⅞	15⅞	BlairJn								
39⅝	22	BlkHR s1.90								
55½	36¼	Boeing s1.08								
51	37¼	BoiseC 1.90								
61	52⅝	BoiseC pf 5								
37¼	20⅝	BoltBer .10								
53½	31⅝	Borden s1.52								
25	19½	BorgWa .96								
12½	5	Bormns								
46¼	33⅝	BosEd 3.44								
87½	71½	BosE pf8.88								
11⅝	9⅞	BosE pr1.17								
14⅞	12	BosE pr1.46								
25⅞	20	Bowatr .72								
31⅛	25¾	BrigSt 1.60								
68½	49⅞	BristM 1.68								
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 33

NYSE COMPOSITE CLOSING PRICES

Continued from Page 32

Continued on Page 31

· Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

AMEX COMPOSITE CLOSING PRICES

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

WE REGRET that this listing is incomplete due to computer problems.

Continued on Page 31

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Gloom over rate cut prompts fall

THE DISCLOSURE of a sharp drop in December unemployment statistics – and thus of a strengthening economy – undermined Wall Street's expectation of an early cut in the discount rate, sending both bond and stock prices plunging in the heaviest trading since mid-December, *writes Terry Byland in New York.*

The market's discomfiture was increased when Dr Henry Kaufman, chief economist at Salomon Bros, warned that the unemployment figure "reduces significantly" chances of a discount rate cut soon.

A plunge of one and a half points in bond prices quickly wiped out early gains in blue chips, sending the stock market into a tailspin. Earlier, a spate of corporate announcements had brought an increasingly speculative edge to the stock market, and private investor interest spurred heavy turnover on the American Stock Exchange (Amex).

At the close the Dow Jones industrial average was down 39.10 points to 1,526.61.

Other market indices followed a similar trend, except for the Dow transportation average which was boosted by gains in airline issues.

In the credit market, ahead of the all-important auction of $4.75bn in 20-year Treasury bonds, long-dated federal issues were one and a half points down.

In the stock market, takeover and other special situations dominated attention among the market leaders. The surge in second-line issues brought record first hour trading of 6m shares on the Amex, although the total was boosted by a single 2m share deal in Wickes Companies.

There was heavy trading and erratic movement in Pennzoil after its board disclosed – to the consternation of Wall Street speculators in both the stock and option markets – that it had rejected a Texaco proposal to acquire Pennzoil as a solution to the $11.1bn court judgment.

Pennzoil was suspended at $84½ at mid-session, because of an order imbalance – Jefferies, the third market firm, immediately began trading outside the NYSE. Earlier, Pennzoil traded between $75 and $89, reflecting Wall Street's belief that Texaco had offered $90 a share and that further developments were pending. Texaco added $½ to $31¼.

Eastman Kodak dipped $⅜ to $49⅜ as the board warned of the serious implications of a court ruling, banning it from infringing on Polaroid's patents in instant cameras and films. At $46, Polaroid jumped $2¾ in busy trading.

GAF plunged $1⅝ to $50¼ as Wall Street foreshadowed withdrawal of its $4.8bn bid for Union Carbide, which eased $⅜ to $72⅞ in brisk turnover, to line up with the share buyback terms proposed by the Carbide board.

Hopes of lower fuel prices boosted airline stocks again. The weak spot was Eastern, down $⅛ at $4⅝ as reports of new plans for wage cuts brought calls for management changes from the machinists union.

TWA eased $⅜ to $13⅝ as Mr Carl Icahn said he would not sell the airline.

There was some profit-taking in technology stocks, boosted this week by brokerage recommendation. IBM fell $1 to $154⅝ and Digital Equipment $1⅛ to $137⅞.

Trading in SCM died down, and the stock held steady at $74¾ as Hanson Trust claimed victory over the rival bidding group, led by Merrill Lynch. At $37½, Merrill put on a further $½.

Bank stocks had another successful session as the first results began to trickle into the market. Fleet Financial, however, held unchanged at $40⅝ after disclosing higher profits.

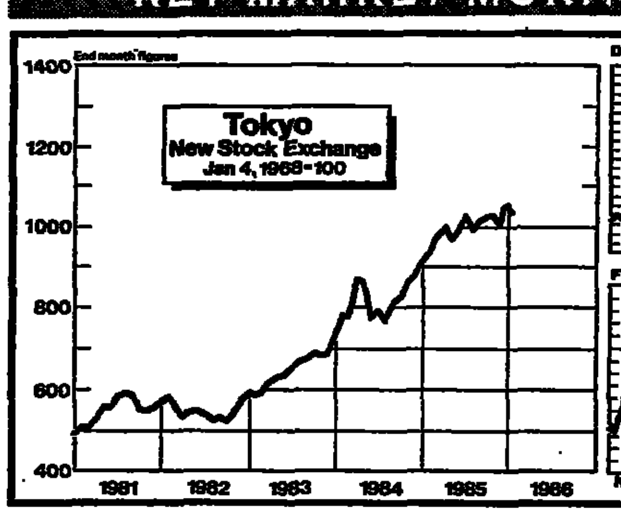
Utility stocks gave up a part of the gains scored earlier this week on interest rate hopes.

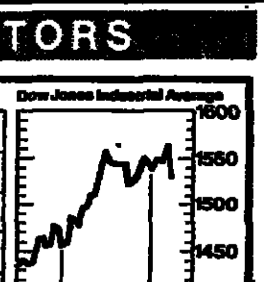
In the credit markets, there was disappointment with the outcome of Tuesday's auction of seven-year Treasury securities, as well as some nervousness ahead of yesterday's sale of 20-year bonds.

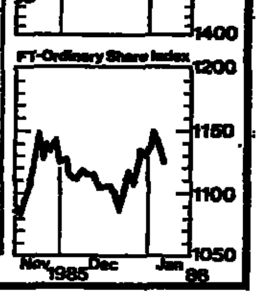
Earlier this week, traders had predicted a substantial foreign demand for the long dated issues but this confidence suddenly evaporated as the bids for the 20-year auction were opened at midday.

Bond prices were swiftly marked down across the board. Short-term rates rose by 11 basis points or so, despite a federal funds rate well below 8 per cent. Some analysts believe that the fall in December unemployment figures will make it more difficult for the Fed to cut discount rate.

KEY MARKET MONITORS







STOCK MARKET INDICES

NEW YORK	Jan 8	Previous	Year ago
DJ Industrials	1,526.61	1,565.71	1,191.7
DJ Transport	706.43*	706.79	556.69
DJ Utilities	177.37*	179.06	146.85
S&P Composite	212.50*	213.80	163.99
LONDON			
FT Ord	1,123.8	1,135.3	983.1
FT-SE 100	1,404.2	1,415.2	1,243.5
FT-A All-share	680.04	685.36	605.13
FT-A 500	744.34	750.78	665.43
FT Gold mines	286.6	277.2	451.3
FT-A Long gilt	10.58	10.59	10.40
TOKYO			
Nikkei	13,056.42	12,991.24	11,679.80
Tokyo SE	1,037.90	1,033.40	922.54
AUSTRALIA			
All Ord.	1,041.6	1,032.4	718.0
Metals & Mins.	517.0	507.9	396.6
AUSTRIA			
Credit Aktien	122.66	120.74	58.91
BELGIUM			
Belgian SE	2,805.01	2,810.34	2,158.30
CANADA			
Toronto			
Metals & Minls	2,142.0*	2,119.1	1,922.5
Composite	2,893.8*	2,888.6	2,348.5
Montreal			
Portfolio	141.14*	144.91	117.15
DENMARK			
SE	231.96	236.43	158.44
FRANCE			
CAC Gen	282.3	278.5	186.0
Ind. Tendance	108.2	106.0	103.2
WEST GERMANY			
FAZ-Aktien	703.00	677.92	391.66
Commerzbank	2,098.8	2,029.9	1,137.8
HONG KONG			
Hang Seng	1,826.84	1,815.53	1,283.01
ITALY			
Banca Comm.	463.53	457.83	232.84
NETHERLANDS			
ANP-CBS Gen	267.0	261.1	188.2
ANP-CBS Ind	254.0	248.0	149.8
NORWAY			
Oslo SE	398.28	397.05	307.23
SINGAPORE			
Straits Times	644.89	630.48	782.68
SOUTH AFRICA			
JSE Golds	–	1,231.6	934.9
JSE Industrials	–	1,100.7	915.3
SPAIN			
Madrid SE	103.07	101.78	105.00
SWEDEN			
J & P	1,907.23	1,883.76	1,409.66
SWITZERLAND			
Swiss Bank Ind	625.5	612.3	403.3
WORLD	Jan 7	Prev	Yearago
Capital Int'l	259.0	257.1	184.7

COMMODITIES

(London)	Jan 8	Prev
Silver (spot fixing)	407.40p	404.60p
Copper (cash)	£971.50	£966.50
Coffee (Jan)	£2,865.00	£2,937.50
Oil (spot Arabian Light)	$27.65	$27.75

GOLD (per ounce)

	Jan 8	Prev
London	$332.50	$329.75
Zürich	$332.75	$330.20
Paris (fixing)	$332.30	$330.40
Luxembourg	$331.30	$329.00
New York (Feb)	$336.10	$332.80

CURRENCIES

	US DOLLAR		STERLING	
(London)	Jan 8	Previous	Jan 8	Previous
$	–	–	1.4435	1.44
DM	2.456	2.4405	3.545	3.515
Yen	202.0	201.45	291.5	290.0
FFr	7.5325	7.48	10.875	10.7725
SFr	2.085	2.067	3.01	2.9775
Guilder	2.764	2.745	3.99	3.9525
Lira	1,672.0	1,662.0	2,413.5	2,393.25
BFr	50.1	49.775	72.3	71.7
C$	1.40125	1.3993	2.0225	2.013

INTEREST RATES

Euro-currencies (3-month offered rate)	Jan 8	Prev
£	12 11/16	12 7/16
SFr	4 3/16	4 1/16
DM	4⅝	4⅝
FFr	12¼	12⅞
FT London Interbank fixing (offered rate)		
3-month US$	8	8 1/16
6-month US$	8	8 3/16
US Fed Funds	7 11/16*	7 11/16
US 3-month CDs	7.65*	7.7
US 3-month T-bills	7.13*	7.01

US BONDS

Treasury		Jan 8* Price	Yield	Prev Price	Yield
7⅞	1987	99 24/32	8.012	99 27/32	7.96
9¾	1992	104 1/32	8.935	104 19/32	8.832
9½	1995	102 31/32	9.55	103 16/32	8.954
9⅞	2015	105 27/32	9.315	106 21/32	9.215

Treasury Index Maturity (years)	Return index	Jan 8* Day's change	Yield	Day's change
1–30	138.64	–0.08	8.65	+0.03
1–10	134.87	–0.08	8.41	+0.03
1–3	129.36	–0.07	8.06	+0.04
3–5	136.77	–0.05	8.56	+0.02
15–30	152.22	–0.11	9.47	+0.01

Source: Merrill Lynch

Corporate	Jan 8* Price	Yield	Prev Price	Yield
AT & T				
10⅜ June 1990	101½	9.90	101½	9.90
3⅞ July 1990	86½	7.50	86¾	7.40
8¾ May 2000	91⅜	9.85	91⅜	9.85
Xerox				
10⅞ Mar 1993	105	9.62	104¾	9.35
Diamond Shamrock				
10⅞ May 1993	102½	10.10	102	10.20
Federated Dept Stores				
10⅜ May 2013	102	10.40	102	10.40
Abbot Lab				
11.80 Feb 2013	110⅜	10.65	111.00	10.55
Alcoa				
12¼ Dec 2012	109⅜	11.15	108⅜	11.25

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
US Treasury Bonds (CBT) 8% 32nds of 100%				
Mar	85–03	86–13	85–03	86–05
US Treasury Bills (IMM) $1m points of 100%				
Mar	93.05	93.25	93.02	93.22
Certificates of Deposit (IMM) $1m points of 100%				
Mar	92.39	92.59	92.32	92.58
LONDON				
Three-month Eurodollar $1m points of 100%				
Mar	92.11	92.30	92.07	92.24
20-year Notional Gilt £50,000 32nds of 100%				
Mar	109–16	109–16	108–23	109–03

* Latest available figures

TOKYO

Half-hearted attempt at recovery

A MILD recovery took place in Tokyo yesterday but activity was still limited to dealers and speculators, *writes Shigeo Nishiwaki of Jiji Press.*

The number of issues sought expanded from Tuesday, but small-capital and incentive-backed issues, from which investors can earn capital gains easily, were more popular.

The Nikkei average closed at 13,056.42, up 65.18, recouping Tuesday's loss. Volume rose slightly from 220m shares to 299m. Advances outpaced declines 468 to 331, with 147 issues unchanged.

Investor expectations of a concerted interest rate reduction by leading overseas economies ballooned on reports that the US had proposed holding a Group of Five meeting of financial ministers and central bank governors. The reports, and the overnight record on Wall Street, spurred buying at the start of yesterday's session in Tokyo, but the market trend reversed in the afternoon as a wait-and-see mood set in with institutional investors remaining on the sidelines.

Keisei Electric Railway topped the active list with 15.90m shares changing hands, advancing Y23 to Y402. Investors apparently expect the company's urban redevelopment project to improve its performance. Tokyu Corporation, added Y22 to Y605. Sapporo Breweries, third on the active list, rose Y26 to Y680.

Kyowa Hakko was sought, reflecting its continued development of a growth promotion agent for fish. It soared to Y1,010 at one stage, before closing at Y995, up Y8. Yamanouchi Pharmaceutical, another biotechnology issue, continued to advance, shooting up Y100 to Y3,150.

Incentive-backed issues registered sharp gains. Among them were Fujiya, which scored a daily limit rise of Y100 to Y3,330, and Neturen and Japan Synthetic Rubber, which added Y40 to Y820 and Y16 to Y435, respectively.

Investors also bought supermarket chains und credit companies that are building information networks. Seiyu spurted Y100, a maximum allowable increase, to Y970. Daiei finished Y69 higher at Y799, while Seibu Credit advanced Y50 to Y1,700.

Buying interest revived on the bond market for the first time for many sessions, reflecting Tuesday's drop in yield in the US market on the 30-year government bond to its lowest since September 1979. The yield on the 6.2 per cent government bond maturing in July 1995 declined from 5.675 per cent to 5.560 per cent.

SINGAPORE

FOREIGNERS flocked into Singapore yesterday in search of what they consider to be low-priced blue chips.

The Straits Times index jumped 14.41 to 644.89 on turnover up at 14.9m from 11m in the previous session.

Singapore Airlines, which has been closely studied as a market barometer since its listing in mid-December, rose for the first time above its issued price of S$5.00. It later settled back to close up 14 cents at S$4.94.

HONG KONG

RECORDS continued to fall in Hong Kong yesterday as buyers again rushed into the market. The Hang Seng index rose 11.31 to 1,826.84, eclipsing the previous record set on Tuesday.

Utilities were again in the limelight with Hongkong & China Gas 30 cents higher at HK$15.00 and Hongkong Telephone 10 cents ahead at HK$10.70.

EUROPE

Frankfurt dazzled by fireworks

THE FIREWORKS continued in Frankfurt yesterday as waves of foreign buyers competed with domestic investors in a buying spree almost unparalleled in the history of the bourse. Exchange authorities were again obliged to extend trading by 30 minutes in a bid to cope with the huge volume of business.

An insatiable appetite for car makers, banks and retailers underwrote the dramatic surge in the Commerzbank index to another record with a dazzling 68.9 rise to 2,098.8.

This particular bull stampede was attributed to a combination of Wall Street's overnight record; a perception of a healthier expanding German economy; the attraction of a strong non-dollar currency and the prospects of imminent good corporate results.

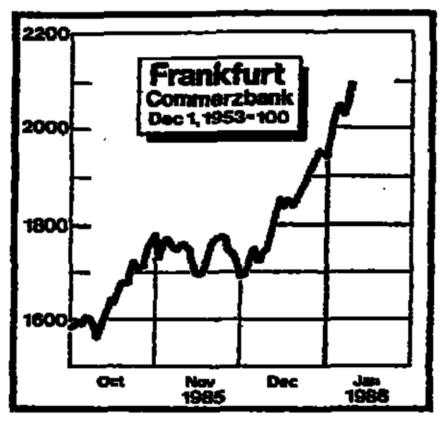
Considerable pent-up demand from the previous session, which had been extended by half an hour in the first such move in post-war Germany, guaranteed a strong opening and demand continued to swell until very late in the session when the first signs of profit-taking developed.

Foreign buyers, particularly Swiss, concentrated their funds on blue-chip car marques with Daimler, which accounted for 10 per cent of business in the previous session, gaining a phenomenal DM 114 to DM 1,422 after an opening jump of DM 80. The 3.4m block of Daimler shares from the Flick group was due for payment yesterday. BMW was catapulted DM 48 higher to a new peak of DM 650 and VW jumped DM 14 to DM 566.

The bandwagon tendency among the car stocks, with many domestic and foreign dollar-based investors feeling undercommitted to German equities, spread to other sectors particularly banks, which have been in a relatively quiet backwater in recent weeks.

Deutsche Bank led the pack with a brilliant DM 29.50 rise to DM 920 while BHF Bank finished the day DM 21 stronger at DM 571. Commerzbank notched up a DM 7.50 advance to DM 365.50.

Among stores, Kaufhof displayed the best performance with a DM 20 gain to



DM 395 on the prospects of substantially higher domestic consumer spending this year. Horten moved against the trend with a DM 3 slide to DM 226.

The prospects of a strong corporate reporting season soon in the chemicals sector concentrated minds on Schering. DM 17 higher to DM 670, while Hoechst gained DM 6.40 to DM 300. Bayer picked up DM 2.50 to DM 294.50 on its rights issue plan.

Tuesday's strength in the US credit market encouraged another healthy bond session with gains of up to 80 basis points. The Bundesbank waded in with sales of DM 109m compared with sales of DM 60.3m on the previous day.

Zurich experienced its longest trading day ever with feverish demand boosting all sectors – except electricals – to new peaks. The Swiss Bank Industrial index surged 15.3 higher to a record 673.4. Trading lasted for more than seven hours, about 2½ hours longer than normal, suggesting that a revision of hours, like Frankfurt, is overdue.

Amsterdam sprinted to a new peak but closed off its highs, while **Stockholm** enjoyed the view from another lofty height in expanded turnover. Ericsson was the most active in the absence of Volvo/Fermenta and gained SKr 4 to SKr 249.

Paris, Milan, Madrid and **Vienna** hit record levels, while **Brussels** ended mixed.

CANADA

AFTER Tuesday's rally late in the session, stocks in Toronto continued to move towards record levels.

Golds reacted to the firmer bullion price with Lac Minerals gaining C$⅝ to C$37⅞ and Golden Knight, a strong performer since recent assay results from one of its properties, added C$¼ to C$7⅝.

Other mining and metals issues shared in the advance

Montreal was also firmer.

LONDON

Higher rates depress sentiment

CONTINUED pressure on short-term interest rates sent a wave of depression through London yesterday. Higher initial prices for industrial issues were soon challenged by institutions and smaller investors and the tone deteriorated quickly.

Shortly after midday most banks increased their rates 1 percentage point to 12½ per cent, and this stunned traders.

The FT Ordinary share index rallied slightly from 15.1 down to close 11.5 lower at 1,123.8.

Gilts were also disturbed with longer-dated stocks ending ¼ easier and index-linked issues by as much as ½.

Chief price changes, Page 31; Details, Page 30; Share information service, Pages 28-29

SOUTH AFRICA

INVESTORS stopped to catch their breath after the activity of the past two days in Johannesburg and shares ended mixed.

The firmer bullion price appeared to have little effect and Buffels turned 50 cents lower to R87.50, while Driefontein was steady at R56.25.

De Beers ended 35 cents firmer at R18.60 after healthy diamond sales figures and in mining financials, Anglo American shaded 85 cents lower to R40.50.

Rustenburg Platinum gained 25 cents to R28.25 as the price of platinum continued to remain high.

AUSTRALIA

THE TWELFTH consecutive rise in Sydney came in the wake of lower domestic interest rates and a firmer bullion price.

Consequently, industrial and mining issues were at the centre of attention. Peko added 20 cents to A$5.20 while Central Norseman added 50 cents to A$6.90 and GMK 40 cents to A$8.40.

BHP again moved against the trend, ending unchanged at A$8.88. Some brokers believe the issue may be overpriced after rumours of a takeover bid before Christmas by Perth entrepreneur Robert Holmes à Court.

هكذا من الأصل

APPOINTMENTS ADVERTISING
RATE £41.00 PER SINGLE COLUMN CENTIMETRE PLUS VAT

Phillips & Drew

INSTITUTIONAL EQUITY SALES AND RESEARCH

Phillips & Drew, with the full backing of the Union Bank of Switzerland, is substantially expanding its penetration of the UK equity market in anticipation of the new conditions that will prevail in the financial markets from October onwards. We have several vacancies for high calibre company analysts, specialist salesmen and institutional salesmen.

Successful candidates will probably be aged 25-35 and will have had a minimum 2-3 years' experience in broking or a closely related area. A proven track record of significant achievement in UK equities is an essential requirement.

This is an outstanding opportunity for quality professionals to join the Phillips & Drew/UBS Group, destined to be a major force in London's new markets.

Please reply in confidence, giving brief details of relevant experience to:

Paul Neild
Phillips & Drew
120 Moorgate, London EC2M 6XP

Phillips & Drew (Trading) Ltd

TRADERS — UK EQUITIES

Phillips & Drew intend to be market makers in leading UK equities. Several teams covering all the major stocks are being formed, to be led by senior market makers supported by the acknowledged excellence of the firm's sales and research staff. The new operation is fully capitalised and enjoys the substantial backing of the Union Bank of Switzerland.

First class traders are needed to join these teams. Each will report to a director and will deal as a principal in selected sectors of the market.

Probably aged 25-35, candidates with significant experience of trading in equities, bonds, forex, commodities or futures markets will be considered. They will be expected to have a sound technical understanding of the markets and a flair for successful position-taking.

This is an outstanding opportunity for candidates of high calibre. A very competitive remuneration package is offered.

Please reply in confidence giving brief details of relevant experience to:

Paul Neild
Phillips & Drew
120 Moorgate, London EC2M 6XP

Phillips & Drew (Trading) Ltd is a wholly owned subsidiary of Phillips & Drew

NORTH SEA OIL

A New Opportunity in Oilfield Planning and Economics

This position is at the interface of technical and commercial functions within Hamilton Brothers, one of the smallest companies yet to operate a North Sea Oilfield but also one of the most aggressive. You would be part of a team responsible for UK strategic planning, co-ordinating operations and establishing and maintaining budgets to ensure that plans are fulfilled.

You would liaise with both accounting and engineering departments to help in the formulation of budgets and would prepare a variety of economic financial and production statistics and analyses.

Hamilton Brothers is an American independent oil company which has its headquarters in Denver. It has been outstandingly successful in the North Sea and was the first company to produce oil from the British sector. Their successes have often been achieved through forward thinking, imaginative concepts, and the Company now has six fields on production.

Hamilton Brothers is a fast moving company and seeks to appoint a candidate who can perform well with minimum supervision. You should be a graduate or qualified accountant with five years accounting or statistics experience, preferably with some previous involvement in the oil industry. Alternatively the Company would consider applications from engineers with up to five years petroleum related experience including some statistics or economics.

To apply, please write to Summit Management Consultants Limited, Cavendish Court, 11/15 Wigmore Street, London W1H 9LB or telephone 01-629 3532.

SMCL

Gross Fund Marketing

Leading Merchant Bank

Our client is one of the City's best respected Accepting Houses, with over £5 billion under discretionary management, including a wide range of onshore and offshore unit trusts.

Following the decision to make a major marketing effort in 1986 to smaller pension funds and charities, a new position for a Senior Marketing Manager has been created.

You will be aged about 30, ideally with some experience of investment management and a natural aptitude for marketing. At present you are most probably working for a firm of stockbrokers, a Merchant Bank, or a specialist Fund Management institution.

Reporting directly to a main Board Director, you will be responsible for successful and profitable business development. Equally, you will be a member of a small team with one of the most consistently effective investment records in the City.

The attractive and comprehensive remuneration package is negotiable, and the opportunities for advancement in a leading international Merchant Bank are exceptional.

Please send a detailed c.v., including contact telephone numbers, in strict confidence to
Peter Wilson FCA at
Management Appointments Limited
(Search & Selection Consultants),
Finland House, 56 Haymarket,
London SW1Y 4RN.
Tel: (01) 930 6314.

MAL
Management Appointments Limited

COMMERCIAL, TECHNICAL AND RESEARCH DIRECTOR

A person with high level of qualifications in textile and leather technology with research and industrial experience is required to take charge of two technical Arabic and English magazines. High standard of Arabic and English is essential.

Apply to:
TCPH LTD
2D Kirtling St, Nine Elm Lane
Vauxhall, London SW8 5BP

STOCKBROKER DEALER

Small well established London firm of Stockbrokers require a dealer. Remuneration according to age and experience.

All replies will be treated in confidence.

Please write with CV to
Box A0013,
Financial Times,
10 Cannon Street, London,
EC4P 4BY.

Appointments Wanted

DOES YOUR COMPANY NEED FRESH BLOOD?

A professional with many years experience in the Hardware, Housewares and Ironmongery trade, seeks a challenging position. This would be at a senior level, where possibly rebuilding, expansion, or overall control could be envisaged to cover Sales, Marketing and General Management. New ideas, new products, new business and a new approach could be what you require in 1986—if so, reply in complete confidence for initial discussions to: Box A.0015, Financial Times, 10, Cannon St, London EC4P 4BY.

Unit Trusts

Head of Administration

We have been retained by one of the UK's largest Investment Management companies to help find an outstanding Head of Administration for their Unit Trust Company. Administrative staff currently total around forty people and the department covers all aspects of Trust and Management Accounting, Registration etc.

The role is seen as one which holds considerable challenge and prospects for the person who is seeking a long term career in a senior administration post with a major British financial institution.

The Company is growing rapidly, having a unique marketing strength and an innovative approach to its markets. The man/woman they seek is likely to be aged 32/45 and will combine his/her skills in managing and motivating people with an ability to apply new developments in the technological field in an imaginative way to the expanding market of personal investment. Experience and knowledge of investment either in the field of unit trusts or in other pooled fund management areas will be a necessary requirement. Candidates currently in the senior or second senior role with a Unit Trust Management Company, a Bank or an Insurance Company should only apply.

Salary and benefits are open to negotiation and will reflect the responsibility and seniority of the post.

Please write with full details to Colin Barry, quoting ref 707, at Overton Shirley and Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

INVESTMENT ANALYST

Hong Kong

Fidelity is a privately-owned investment management group with assets of over $30 billion currently under management. In our Hong Kong office an opportunity has now arisen within the equity research area for an accomplished Investment Analyst to join a small team concentrating on Hong Kong, Australia and South-East Asian markets, excluding Japan. Liaising closely with the Portfolio Managers, the Analyst will play a vital role in determining the investment performance of our clients' portfolios.

This position is seen as a stepping stone to a fund management role in approximately two to three years, at which time candidates could also consider a move to one of the other group offices in Australia, Europe or the United States.

To be successful you must be a graduate in your mid-twenties with a mature approach to work, a highly developed and analytical mind, excellent communication skills and at least two years experience in an analyst or researcher's role within investment management or stockbroking.

The compensation package will be significant, but in addition Fidelity can offer the environment and incentives that will allow you to pursue a very exciting and rewarding career.

Please write enclosing details of your background and career to: L.J. Hart, International Personnel Director, Fidelity International Management Limited, 25 Lovat Lane, London EC3R 8LL.

Fidelity INTERNATIONAL

HARVARD SECURITIES PLC

Licensed Dealer in Securities

Harvard House · 42-44 Dolben Street
London SE1 0UQ

Owing to our continuing expansion, we wish to recruit a further number of

ACCOUNT EXECUTIVES

We are the largest "MARKET MAKERS" in OTC stocks in the U.K. and would welcome applications from self-motivated, ambitious individuals.

A financial background would be helpful but not essential as full training is provided. Previous sales experience preferred.

Remuneration is no obstacle for the right candidate.
For appointment phone 01-928 0686 ask for Miss Warrick.

PRIVATE CLIENT STOCKBROKING

West Country

WESTLAKE & CO wishes to recruit one or more Senior Executives to assist in the continuing expansion of their well established private client base. Ideally they seek Members of the Stock Exchange or Senior Staff with a possible view to Partnership.

If a move to an independent West Country Firm with its own Computer System, Topic and STX interests you, please write or telephone in strict confidence to:

M. C. MANISTY

WESTLAKE & Co

Princess House, Eastlake Walk, PLYMOUTH, Devon PL1 1HG Telephone (0752) 20971

PRIVATE BANKING OFFICERS

An expanding international bank requires two private banking officers to form part of a team responsible for marketing security collateralized lending to key clients in Europe and North and South America. Ability to develop and capitalize on new business opportunities in highly competitive markets essential.

Candidates, aged 25 - 30, educated to Masters Degree standard — business/finance — must be fluent in English, French, Spanish and Portuguese and have 4-5 years' relevant banking/finance experience. Salary negotiable.

Please write in strictest confidence, enclosing curriculum vitae, to Box A0020, Financial Times, 10 Cannon Street, London EC4P 4BY.

INVESTMENT ASSISTANT

Swiss Re (UK), a subsidiary of the worldwide Swiss Reinsurance Group, is seeking an assistant for its Investment Department. The company's funds are invested in bond and equity markets internationally, and the successful applicant will join a small team managing these investments.

The position to be filled will require a broad interest in all aspects of investment management, including some research and administration. The successful applicant should move into direct portfolio responsibility within a short period of time.

This position is likely to be of interest to applicants with one to two years' investment experience, probably (though not necessarily) with an insurance company or other institution, and the salary and benefits are envisaged accordingly.

Initial applications in writing should be accompanied by a CV and addressed to:

Ms. J. T. Burgess, Personnel Officer
SWISS REINSURANCE CO (UK) LTD
108 Cannon Street, London EC4N 6HE

CREDIT ANALYST with good all-round credit experience to become part of a small, busy team. Preferably a graduate with minimum 3 years' experience. c £16,000. Credit Analyst with fluency in a European language also required.

MANAGEMENT INFORMATION. American bank seeks senior MIS ANALYST with minimum 2 years' experience of an analysis environment, ability to operate IBM p.c. Excellent opportunities. Age: 24-35 years. Salary: open.

ACCOUNTS SUPERVISOR either qualified or with considerable general accounts experience within a bank. Some O & M and knowledge of p.c. 28-39 years, c £16,000.

Telephone: 01-583 1661, Shelagh Arnell

ASB RECRUITMENT

50 FLEET STREET, LONDON, EC4Y 1JU.

ESCAPE FROM CONFORMITY

Finding a career that gives a lifetime of satisfaction and high reward has always been a challenge.

ManuLife, one of the world's largest mutual life insurance, investment and pension companies offers such a career to two persons aged 25-38 with City experience from a background of the Stock Exchange, Accountancy, Commodity Markets or Banking to train as life, pensions and investment sales executives. Self confidence and self motivation are prerequisites.

ManuLife
The Manufacturers Life Insurance Group

Remuneration is by a substantial basic income with unlimited bonus potential. First year earnings will be in the region of £14-£18,000 rising rapidly.

Phone JOHN NORTHOVER (City Branch) 01-247 3465
or
DAVID PILLING (South London Branch) 01-681 1626

1.	Gilt Settlements Manager	to £30,000 + perks
2.	Equity Settlements Manager	to £30,000 + perks
3.	Account Manager (ACCA/or part-qualified)	to £30,000 + perks
4.	General Office Manager	to £25,000 + perks
5.	Gilt Dealer	to £17,500 + perks
6.	Asst. General Office Manager	to £17,000 + perks
7.	Private Client Executive	to £16,500 + perks
8.	Equity Dealer	to £16,000 + perks
9.	Good All-Rounder (General Office)	to £15,000 + perks
10.	Section Head (Contracts)	to £14,000 + perks
11.	Section Head (Transfers)	to £14,000 + perks

For further details of the above call 01-623 0101
CAMBRIDGE APPOINTMENTS
202 Bishopsgate, London EC2

MERCHANT BANKING

Our client, a leading Merchant Bank with a highly successful and fast-expanding Corporate Finance department is currently recruiting high achievers to join the team.

They provide general financial services leading to money raising, re-financing, mergers, acquisitions and disposals for clients who include many of the best-known names in British industry.

The ideal candidate will be an above average graduate (Upper Second Class Honours) aged 25-28, with either accountancy or legal qualifications or City banking experience.

There is an attractive competitive salary package and excellent banking benefits which include a subsidised mortgage scheme.

Please call Sara Bonsey on
628 4835 or 588 4224

18, Eldon Street, Moorgate, London EC2M 7LA. Tel: 01-628 4835

CAPITAL FUTURES
RECRUITMENT CONSULTANTS

هكذا من الأصل

Jonathan Wren

Senior Trader

On behalf of a very respectable Client we are seeking an experienced 'Pit Trader', and/or proven sales person to assume the position of Deputy to Manager in the LIFFE Department.

The successful applicant will be aged between 25 and 35, a holder of LIFFE Futures and Options Trading Rights, proven ability to trade successfully in an active 'pit' and, currently, servicing an established client base.

Enthusiasm, determination and ambition are pre-requisites to make this opportunity a success. A good salary and Fringe Benefits Package will be offered to the successful applicant.

Contact Richard Meredith.

Deputy Manager — Broker
Financial Futures & Options
To £40,000 Basic

Our Client, a leading International Corporation, covering institutional financial futures and options markets in London, US and the Far East, has recently promoted their Deputy Manager. Consequently an opportunity now exists for an applicant with money broking, financial futures and/or options and team management experience, to join an expanding network and to assist in the further development of an already successful brokerage team.

Contact Michael Hutchings.

Telephone 01-623 1266

All applications will be treated in strict confidence.

SYDNEY — HONG KONG

Jonathan Wren
Recruitment Consultants
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

STERLING MONEY MARKET SETTLEMENTS

£20,000 neg

As a result of their recent expansion this well known American Investment House requires a Supervisor to administer all their short term money market settlements.

You should be in your late 20s/early 30s with a previous track record in C/D and T/B settlements from a bank or discount house. The successful candidate should be a self-starter and have the ability to develop the department.

For further details, please call:
MIKE BLUNDELL JONES
on 01-236 1113

PORTMAN RECRUITMENT SERVICES

Private Client Executive
(Fund Management)

Age 45-60 — **c. £20,000**

Our client, an independent firm of stockbrokers, is expanding its highly successful fund management function and will be appointing two or three senior executives. The people appointed are likely to have had several years' experience in private client work with some attached business. They will be willing to consider a provincial as well as a city location. The remuneration package will be highly competitive but is unlikely to be a stumbling-block for the right candidate.

Please apply to Jock Coutts, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London WC2A 1EG. Tel: 01-242 5775.

Career plan LIMITED
Personnel Consultants

FOREX
APPOINTMENTS

For Forex, Capital Markets and Treasury appointments consult a specialist agency
TERENCE STEPHENSON
Prince Rupert House
9-10 College Hill, London EC4R 1AS
Tel: 01-248 0263

GENERAL MANAGER
SALES AID LEASING

Due to promotion we are able to offer a challenging opportunity running our Southern Region.

Suitable candidates are likely to have finance sector experience and to have proven skills and abilities which include selling, the management and development of a substantial number of people and a sound knowledge of operating in a sales aid environment. The preferred age group is 35-45.

We are looking for someone who can demonstrate good communication skills, a logical career progression and the ability to achieve objectives.

In return we offer a high level of job satisfaction, an excellent salary (the position is unlikely to be suitable to anyone who is currently earning less than £20,000 per annum), a quality company car, profit sharing, BUPA and contributory pension scheme.

Offices for the region are based in Croydon and London EC1 so the job holder will need to live within reasonable travelling distance of both. Company assisted relocation is available.

To apply, please contact initially:-

Sandra Eagles,
Personnel Manager,
Anglo Leasing Limited,
Anglo House,
2, Clerkenwell Green,
London,
EC1R 0DH.
Tel: 01-253 4300

Anglo Leasing Limited
A subsidiary of
J. Rothschild Holdings plc

Assistant General Manager
Savings Bank — Development Role
West of Scotland — to £22,000+car+mortgage scheme

Airdrie Savings Bank is a small, highly respected banking institution with annual cash transactions of some £40M and funds of £27M. With seven branches in the Airdrie and Coatbridge area, it has operated for 150 years as a service to the community, providing facilities for and encouraging, saving. The bank, however, competes for customers with the national joint stock banks and so these traditional values (with many large and small types of savings accounts) are augmented by a comprehensive range of modern banking services, including all normal current account services, 24 hour cash dispensers and credit card facilities.

To increase the strength of its executive team, the Bank wishes to recruit a third Assistant General Manager, reporting to the General Manager, and whose role will include marketing, development of new services, bank inspection and advances policy and, of course — as a senior executive in an organisation of this size — an overview of the operations of the bank.

The experience we seek is not so much 'front desk' as credit operation and development and organisation of new services. You will be a qualified banker, aged 30-45, from a joint stock bank or perhaps returning from a spell abroad and will see this as an ideal opportunity to achieve a position of real decision making and responsibility at a young age.

To apply, write or telephone for an application form or send detailed c.v., giving current salary, to Douglas Kinnaird, quoting ref: GM96/9641/FT on both letter and envelope.

PA

PA Personnel Services

Executive Search · Selection · Psychometrics · Remuneration & Personnel Consultancy

Fitzpatrick House, 14/18 Cadogan Street, Glasgow G2 6QP
Telephone: 041-221 3954 Telex: 779148

Appointments Advertising appears every Thursday

AUDITOR
PENSION FUND

This new post, at the head office of the Registered Dock Workers Pension Fund and the National Dock Labour Board Pension Fund, at Kingston upon Thames, requires the appointment of a fully qualified and experienced person to establish and administer an internal audit function.

Responsibilities will include the setting up and operation of audit procedures in respect of funds with a total of 13,000 members employed by 160 participating employers, investments approaching £300 million and 18,000 pensioners.

The emphasis will be on the verification of contribution income from these employers, and hence the duties will involve extensive travel, mainly between U.K. ports.

Applicants will be able to demonstrate experience of auditing, the ability to make a contribution to systems and control procedures, communicate effectively with management and possess a strong but genial personality to carry out responsibilities with combined tenacity and diplomacy.

Salary up to £16,000 per annum

Generous assisted house purchase scheme and re-location expenses would be coinsidered for persons necessarily moving to a new location.

A car will be made available for business travel.

APPLICATION:

Applications with full C.V. from suitably qualified and experienced persons should be addressed to:

R. E. Belcher
The Registered Dork Workers Pension Fund
Argosy House, 31/39 Kingston Hill
Kingston upon Thames, Surrey, KT2 7PU

CORPORATE FINANCE EXECUTIVES

3i Corporate Finance is seeking to recruit executives for a busy and expanding Corporate Finance Department. Applications are invited from self-starters, capable of deal creation, with experience of working at a senior level in the corporate finance department of a merchant bank or stockbroker, or who have acquired suitable experience in a firm of solicitors or chartered accountants. There are also openings for recently qualified professionals wishing to move into corporate finance.

Remuneration will be competitive and attractive to the right individuals.

3i Corporate Finance is Investors in Industry's corporate finance arm, which initiates and advises on take-overs, mergers, new issues, fund raising and management buy-outs.

Interested applicants should write, giving full details of experience, salary and career to date, to:
N. M. Williamson Managing Director
3i Corporate Finance Ltd, 91 Waterloo Road,
London SE1 8XP.

All applications will be treated in strict confidence.

3i

THE CREATIVE USE OF MONEY

Commercial Finance
ANZ/GRINDLAYS

We will shortly launch a new Commercial Finance Division of our Finance Company which will provide finance for small businesses. Facilities offered will include finance for acquisitions, start-up situations, re-finance and development. As a result of this important development we now have the following appointments. Both positions offer the rare opportunity to join the new product area of a major international bank and there are excellent future career prospects.

Manager — Commercial Finance

Reporting to the General Manager, Commercial Finance, you will provide day-to-day management of the new facility for which you will need to have had at least 2 years' experience of a similar discipline within the environment of a major financial institution. Skilled at underwriting, you will have a strong marketing talent, particularly in the marketing of financial products to introductory sources.

Assistant Manager — Commercial Finance

You will provide administrative back-up to the Manager, Commercial Finance and should have had at least 2 years' experience within a finance environment. Essentially operating as an office manager, the role will include strong marketing elements and you will be expected to provide marketing and underwriting support within set guidelines.

For both positions remuneration will be highly competitive and reflect their importance within the Bank's future development. Excellent banking benefits include mortgage subsidy, car and non-contributory pension.

Please write with full personal and career details to:

J. A. Birch, Senior Manager, UK Personnel
Grindlays Bank p.l.c.,
Minerva House, P.O. Box 7, Montague Close, London, SE1 9DH.

A member of the ANZ Group

Eastern Capital Corporation Ltd.

The Eastern Group

WE ARE:
U.S. equity and worldwide commodity brokers;
A meritocracy;
High achievers.

WE NEED:
A Sales Director/Producer U.S. equities;
U.S. equity brokers with production;
Commodity A.E.s with production.

WE OFFER:
High payouts;
Equity participation for key personnel;
Specialised research;
Regular advertising.

If you have a production of over U.S.$100,000 per annum and want to join a dynamic company, write to or telephone:

Robin Relph, Managing Director
EASTERN CAPITAL CORPORATION LTD.
Walsingham House, 35 Seething Lane
London EC3N 4AH
Telephone: 01-488 1761

Short Gilt Sales

Our client, a rapidly expanding Investment Banking group and a prospective gilt-edged market maker is seeking experienced candidates to service clients in short gilts and related instruments. The successful candidate will be joining an established team already servicing long term investors.

A competitive salary package will be offered which will include the normal range of banking benefits. Please write enclosing career details to Keith Lowing quoting ref S/61.

SAATCHI & SAATCHI RECRUITMENT
80 CHARLOTTE STREET LONDON W1A 1AQ

Senior Investment Analyst
Holborn — British Airways Pensions

British Airways Pensions offer a real challenge to a bright Investment Analyst.

This young but talented team presently managing about £900m. in the U.K. Equity market require a capable and dynamic person with about two years experience.

The successful candidate will be expected to take on responsibility and can look forward to outstanding career prospects within the department.

Education to degree level is required along with good communication skills and a thorough understanding of the principles of investment analysis. An ability to use initiative and work under pressure to make decisions should be coupled with a good sense of humour.

A competitive salary will be offered along with the usual British Airways benefits of profit sharing scheme, holiday bonus and favourable holiday travel opportunities.

Please send full curriculum vitae to Mary Ager, Recruitment & Selection, British Airways Plc., P.O. Box 59, "Meadowbank", Hounslow, Middlesex TW5 9QX.

BRITISH AIRWAYS

The world's favourite airline

MURRAY JOHNSTONE LIMITED

Investment Management

Murray Johnstone is a leading independent fund management group located in Glasgow managing Investment Trusts, Pension Funds and Authorised and Exempt Unit Trusts. We also advise Offshore Funds and US Pension Funds and manage Investment Companies specialising in unlisted investments. Total funds under management exceed £2 billion.

We have an excellent performance record and as a result of considerable expansion are keen to recruit a number of potential investment managers.

We are looking for young people who can show success in their existing careers and have a sound educational or professional background and who will be able to assume the interesting and rewarding responsibilities of portfolio management once they have assimilated in-house techniques.

Investment or related experience will be considered useful but is not essential.

Please write in confidence enclosing a full c.v. to:
R.H. White, David Sheppard & Partners Limited,
21 Cleveland Place, London SW1Y 6RL (Tel: 01-930 8786),
who act as advisers to the group.

APPOINTMENTS ADVERTISING
APPEARS EVERY THURSDAY
RATE £41.00 PER SINGLE COLUMN CENTIMETRE PLUS VAT

Investment Analysts

"Enlarge on your UK, Japanese or North American experience significantly with this £2 billion plus Pension Fund."

Negotiable Salary; London

If you are in your twenties or early thirties with a degree or professional qualification and at least 2 years' experience in investment analysis, you can't afford to ignore this opportunity to play a key role in the management of a major pension fund.

Whether you have specialised to date in UK, Japanese or North American investment, you are unlikely to have been given responsibility for such sizeable portfolios as these positions offer.

If you feel that you are ready to expand your knowledge, the negotiable salaries and attractive benefits on offer will amply reward your dedication and enthusiasm.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. B.G. Woodrow ref. B.2275.

These appointments are open to men and women

HAY-MSL Selection and Advertising Limited, 52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australasia and Asia Pacific.

HAY-MSL

CONFIDENTIAL ADVERTISING

Credit Analysis Manager

Samuel Montagu – part of the Midland Bank Group – is a well established and progressive international merchant banking group. Our commitment and reputation in the market place for innovative service and product development has put Samuel Montagu in a prominent position in the City.

The increase in international business and the sophistication of the financial markets has resulted in an opportunity for an experienced Credit Analyst, who is looking for further career developments in this specialist field.

Managing a small but growing team within our Treasury, Trading and Sales operation, you will be responsible for the fast and accurate assessment of on-going and new counterparty risks and/or credit submissions. You will be required to negotiate and work with the dealers, and to undertake systems development work.

Probably aged 25-40, you should have at least 5 years' relevant international credit analysis experience and proven man-management ability. Excellent technical and judgemental skills will be essential based on your professional knowledge of the marketplace.

Excellent banking benefits include mortgage subsidy, profit-sharing, non-contributory pension scheme and family medical cover.

Please write with full personal and career details to:
Mrs. Carolyn J. Bland, Manager, Personnel,
Samuel Montagu & Co. Limited,
114 Old Broad Street, London EC2P 2HY.
Tel: 01-588 6464.

SAMUEL MONTAGU

Lease Marketing Executive

£ Negotiable + Car + Benefits

We are currently acting on behalf of a major city-based US bank which requires a young marketing officer within its specialist medium to big ticket leasing subsidiary. This opportunity has occurred as a result of continued growth within the bank's UK operation and offers excellent prospects for a career-orientated executive.

Candidates, aged 25-35, will be fully conversant with modern lease evaluation methods and will currently be employed by a major financial institution. They will become involved in the negotiation and structuring of transactions of over £1 million, and will be able to evaluate both credit and product risks. Applicants will possess a university degree or professional qualification and have at least five years experience within the relevant field. They will be strongly self-motivated and will function best within a small and highly professional team.

Those with the requisite qualifications and experience should write enclosing a comprehensive curriculum vitae, to **Andrew Stewart** at 39/41 Parker Street, London WC2B 5LH, or should telephone him on **01-404 5751**, quoting ref. 3584.

Michael Page City
International Recruitment Consultants–London Brussels New York Sydney
A member of the Addison Page PLC group

PACIFIC BASIN

FUND MANAGER circa £25,000 pa
FUND ANALYST circa £15,000 pa
+ Substantial Benefits Packages

As a major UK institutional investor, with our Head Office in the City, we are continuing to expand our involvement in the Pacific Basin markets.

This expansion requires us to recruit both a Fund Manager and Fund Analyst to join our International Fund Management team.

The person appointed as Fund Manager will have had at least two years involvement in the analysis of companies in the Far East, in particular Japan, together preferably with some Fund Management experience, whilst we would expect the Fund Analyst to have some previous experience in the Pacific Basin markets.

We are looking for individual qualities of initiative and enthusiasm as the jobs require active participation from an early stage in the day-to-day management of funds exceeding £25m.

In addition to the starting pay, we offer a substantial benefits package including pension scheme, mortgage interest subsidy and other fringe benefits.

To apply please write with full C.V. to:- David Malcolm, Chief Investment Manager, Royal Insurance plc, 1 Cornhill, London EC3V 3QR.

Royal Insurance
We are an equal opportunities employer.

CITY TREASURER

SALARY not less than £35,000

Following the appointment of Paul Sabin as Chief Executive of Kent County Council, the City Council is seeking to appoint a new City Treasurer. This is a very high profile job involving considerable interface with public and private sectors.

Following metropolitan government re-organisation the City Council will have a turnover in excess of £1,000m, over 50,000 employees and an even wider range of services. Current initiatives include a major convention centre to complement the highly successful National Exhibition Centre, a bid for the 1992 Olympic Games, and major steps toward the devolution of the Council's services through Neighbourhood Offices and Area Committees. The major issue being tackled is the decline in the City's manufacturing base leading to severe unemployment problems, especially in the inner city areas.

Local authority conditions of service; salary negotiable (not less than £35,000).

The City Council is seeking a person with managerial ability, vision and dynamism to help the City meet its major challenges and build on its opportunities.

Further information and application forms (returnable by 27 January 1986) can be obtained from **The City Personnel Department, Snow Hill House, Barwick Street, Birmingham B3 2PF or telephone 021-235 2267.**

City of Birmingham
An equal opportunities employer.

Assistant Financial Analyst

Project Appraisal

HOLBORN — **up to £14,967**

Here is an opportunity to join a small team working on the financial appraisal of capital projects and other major plans and policies for British Gas.

Applicants should have a numerate degree and/or appropriate professional qualification [not necessarily in accountancy], together with some experience in investment appraisal and preferably knowledge of computer techniques.

Salary will be within the range £13,130 – £14,967 depending on qualifications and experience. Benefits are those normally associated with a large progressive organisation and include generous relocation expenses where appropriate.

To apply, please write with full personal and career details, quoting ref. FIN/99900/004, to: the Senior Personnel Officer [HQ Services], British Gas, 59 Bryanston Street, London W1A 2AZ.

British Gas
an equal opportunities employer

Company Secretary

WHITECROFT PLC

Cheshire, from £25,000 + car + benefits

Whitecroft plc is a highly successful holding company operating in 4 business sectors. Employing 2,700 people and with a turnover in excess of £100m, we have a need for a commercially-minded Company Secretary to work closely with the Main Board at this very exciting period in the group's development.

Reporting to the Group Executive Chairman, areas of responsibility will cover the provision of secretarial and legal services including pensions, insurance and property matters. With the current expansion programme, there will be significant involvement in acquisitions.

The ideal candidate, aged 40-50, will have a legal qualification, and several years' experience as a Company Secretary in a plc. With strong administrative skills, they must be able to communicate effectively with Senior Management.

The salary is negotiable as indicated plus an attractive benefits package with relocation as appropriate.

Please write, giving full personal and career details, to T. Weatherby, Group Executive Chairman, Whitecroft plc, Water Lane, Wilmslow, Cheshire SK9 5BX.

WHITECROFT

Continually expanding European Bank with recognised status, is seeking the following key staff:

STERLING DEPOSIT DEALER

A minimum of three years' inter-bank deposit experience is required, together with a good knowledge of FRA's and swaps.

DEP. MANAGER' CORPORATE RELATIONS

To consolidate and expand the UK corporate commercial book, the ideal candidate will have a university background and a proven track record with a major bank and will be able to demonstrate sound marketing and analytical qualities.

The remuneration packages will include an attractive salary and the usual benefits including mortgage subsidy and non-contributory pension.

Replies with an up-to-date CV are to be sent to:

Write Box A6021, Financial Times,
10 Cannon Street, London, EC4P 4BY

FINANCIAL ANALYST

City — **Substantial Package**

We are an emerging International Blue Chip investment company and have recently opened a London office with the aim of identifying investment opportunities to lay the foundations for further growth.

As a key member of our small team, we require an analyst with general UK companies research experience to contribute to furthering these aims.

Applicants, probably in their late twenties or early thirties, should be graduates, have at least four years research experience in a City institution or stockbroker, covering general UK equities or investment analysis. Ideally candidates will have a professional qualification, commercial acumen and flair.

It is envisaged that this position will appeal to an individual of high calibre who will be expected to contribute to overall strategy.

Please apply to Box A0009,
Financial Times, 10 Cannon Street, London EC4P 4BY

EXECUTIVE JOB SEARCH

Are you earning over £20K and seeking a new job?

The Connaught Services have helped more executives to find new appointments than any other organisation – mainly in the unadvertised vacancy area.

Contact us for a free confidential meeting. If you are currently abroad, enquire about our EXPAT EXECUTIVE SERVICE.

32 Savile Row London, W1 — *Connaught* — 01-734 3879 (24 hours)

The Executive Job Search Professionals

هكذا من الأصل

U.S. Equity Sales

American Shares to U.K. Institutions

A major international securities operation, formed as a result of harnessing the resources of some of the most respected British banking and financial firms, and with a proven record of sophisticated international investment services, seeks an experienced U.S. Salesperson.

As a senior member of the American sales team, the position carries substantial responsibility in the marketing of U.S. equities to major U.K. and to some European institutions.

Candidates, probably in their early 30's, will already have a demonstrably successful career in American institutional sales.

It is envisaged that the position will appeal to an individual of high calibre who will be expected to contribute to overall strategy and the remunerative package will reflect this.

Interested candidates should write to Timothy R. Wilkes, Investment Division, 39-41 Parker Street, London WC2B 5LH or telephone on 01-404 5751. All replies will be treated confidentially.

MP

Michael Page City

International Recruitment Consultants—London Brussels New York Sydney

A member of the Addison Page PLC group

APPOINTMENTS ADVERTISING

£41 per single column centimetre and £12 per line

Premium positions will be charged £49 per single column centimetre

For further information call

LOUISE HUNTER on 01-248 4864

or

TREVOR PUNT on 01-236 9763

MURRAY JOHNSTONE LIMITED

Sales Manager

Unit Trusts

Murray Johnstone is a leading international investment management group managing funds in excess of £2 billion with an excellent performance record. A new post of Sales Manager is being created to promote the group's range of unit trusts.

The successful candidate will have a good knowledge of the unit trust market and be able to set up and execute a programme to achieve increased sales operating principally through a network of financial intermediaries.

The Sales Manager will also be required to service existing unitholders and provide accurate information feed-back to assist with the creation of new funds.

Applicants, probably aged between 30 and 40, must have sound sales training and experience and contacts in the financial sector, be self-motivated, and be able to sell a variety of funds managed by a team accustomed to success.

The remuneration package will reflect the importance and level of the post and there are good opportunities for further advancement in a dynamic and expanding organisation.

The appointment is based in Glasgow and will involve considerable travel throughout the UK.

Please write in confidence enclosing a full c.v. to:
R.H. White, David Sheppard & Partners Limited, 21 Cleveland Place, London SW1Y 6RL (Tel: 01-930 8786), who act as advisers to the group.

ASSISTANT DIRECTOR

Corporate Finance

Standard Chartered Merchant Bank, a member of one of Britain's major international banking groups, has a vacancy for an executive with proven ability in the negotiation and processing of U.K. corporate finance transactions.

The successful candidate will be professionally qualified with five to seven years' experience of corporate finance work gained in a City-based merchant bank. Preference will be given to applicants with substantial experience of managing acquisitions and new issues.

An attractive salary, substantial fringe benefits and good career prospects are offered.

Written applications, with full curriculum vitae, should be sent in confidence to:-
The Personnel Manager,
Standard Chartered Merchant Bank Limited,
33–36 Gracechurch Street,
London EC3V 0AX.

Standard Chartered

Standard Chartered Merchant Bank Limited

MANAGEMENT CONSULTANT To £30,000 + Benefits London/Midlands/NW	A leading management consultancy seeks to recruit ACMA or CIPFA qualified accountants aged 27-35 with good degrees, wide ranging sharp-end commercial experience, strong presence and analytical ability and considerable proficiency in computer systems development and implementation. Opportunities for personal development are exceptional. Ref: DES.
AUDIT MANAGER To £25,000 + Car City	An articulate very ambitious Chartered Accountant is required by this well-established and highly competitive international firm. The successful applicant, aged 28-34, will have a strong technical and managerial background, partnership potential and the presence and personality to motivate staff and engender confidence with colleagues and clients. Ref: KRJL.
HIGH FLYER To £20,000 C. London	Group finance, financial and management reporting, performance analysis, planning and international review are some of the attractive positions on offer with this dynamic high growth computing group. Their requirements are for graduate accountants aged 25-32 with proven track records and the ambition and commitment essential for continued career development. Ref: MJH.
FINANCIAL ACCOUNTANT To £18,000 C. London	Young, newly qualified Accountant requiring a challenging role with built in career progression, is sought by a market leader in the hi-tech sector. They guarantee high quality financial accounting experience with exposure to budgets, forecasts, management reports, systems development and monthly accounts preparation. Excellent opportunity to identify areas of interest for future specialisation. Ref: EMC.
RECENTLY QUALIFIED £17,000 C. London	Ideal first move from the profession for a young graduate accountant with aspirations to reach management status before 30. Our client, a leading international energy group, offers a rapid induction programme leading to a senior role within 2/3 months. Language abilities an advantage for daily liaison and occasional travel. Ref: JFH.

HUDSON SHRIBMAN

THE COMPLETE FINANCIAL SELECTION SERVICE

Vernon House, Sicilian Avenue, London WC1A 2QH. Tel: 01-831 2323

FUND MANAGEMENT

North America

$1 billion equity portfolio

Competitive package • Central London

With this appointment we will strengthen a team of London based fund managers which has a consistently successful record in the North American markets.

This position is primarily concerned with portfolio management of equity positions in North America, including Canada. Responsibilities will range from researching companies and portfolio management, to creating and sustaining relationships with clients, stockbrokers and investment advisors.

Applications are invited from candidates of outstanding ability who have a minimum of 2 years' North American portfolio management experience. Graduates who have a good grounding in economics, finance or statistics will be preferred.

Benefits include a mortgage subsidy and a non-contributory pension scheme.

Please write with full CV, in strict confidence to: Rosanne Cole, Personnel Officer,
Prudential Portfolio Managers Limited,
142 Holborn Bars, London EC1N 2NH.

PRUDENTIAL PORTFOLIO MANAGERS LTD
A Member of the Prudential Group

CREDIT OFFICER

£15,000

Due to continued expansion this well respected North American Bank requires a graduate banker with at least 18 month's corporate credit analysis experience. Working as part of their UK team the successful candidate will be involved in the research and development of new and existing business and will also be sent on a Formal Credit Training Programme.

For further details, please call:

MIKE BLUNDELL JONES on 01-236 1113

PORTMAN RECRUITMENT SERVICES

Senior Equity Analyst

Portfolio Manager

Salary Negotiable

Sun Life of Canada, one of the world's largest life assurance companies, has some £1 billion of assets under management in the U.K., including some £350 million in equities. The range of funds is expected to increase substantially over the next few years and our highly successful investment team is now expanding.

We are seeking a professionally qualified person preferably in their late twenties, with at least 5 years' practical experience and a thorough grounding in U.K. equity analysis. The position should particularly appeal to someone who is anxious to take on portfolio management responsibilities in the near future and who enjoys the stimulus of a team environment.

Company benefits are excellent and include a subsidised mortgage scheme and non-contributory pension scheme.

If you are interested, please send a detailed curriculum vitae to:—

Susan Hanington, Employment Advisor,
SUN LIFE ASSURANCE COMPANY OF CANADA,
2, 3 & 4, Cockspur Street, London, SW1Y 5RH.
Telephone: 01-930 5400 Ext 121

SunLife of Canada

Unit Trust Dealers

Mercury Fund Managers **Highly Competitive Package**

The unit trust arm of Warburg Investment Management, Mercury Fund Managers, is the tenth largest unit trust group and one of the fastest growing unit trust companies in the U.K. Due to the rapid expansion of the business, the administrative team seeks two unit trust dealers.

HEAD DEALER – Candidates must have considerable experience as a unit trust dealer, preferably with a major firm, be fully familiar with the intermediary market and capable of taking on overall responsibility for the dealing function.

DEALER – To assist the Head Dealer in the above position someone with at least two years' unit trust dealing experience is also required.

Both positions offer exciting prospects, top salaries and a particularly valuable range of fringe benefits.

Interested candidates should write to Timothy R. Wilkes, Investment Division, 39-41 Parker Street, London WC2B 5LH or telephone on 01-404 5751. All replies will be treated confidentially.

MP

Michael Page City

International Recruitment Consultants—London Brussels New York Sydney

A member of the Addison Page PLC group

BTA

British Tourist Authority

Director, Resources

Applications are invited for this post. It is the intention to make the appointment in mid-1986. The Director will be responsible for finance, personnel, administration and computer services for the two national statutory bodies - the British Tourist Authority and the English Tourist Board.

We are looking for someone with a financial background, therefore proven ability and relevant professional qualifications in this field will be expected. Preferred age: 45-55.

Salary in the range £23,223 - £27,974. Provision is made for a contributory public service pension.

Apply in writing to: Mrs. C. Addison, Head of Personnel, British Tourist Authority/English Tourist Board, Thames Tower, Black's Road, London W6 9EL.

Closing date for applications, 31st January, 1986.

English Tourist Board

Expand Lending Activity

Business Development Officer

(Graduate)

Have you about 1 year's basic banking experience and do you want to use your Oxford, Cambridge, London or similar degree to maximum effect in a banking career?

As a Business Development Officer for a major foreign Bank in London, you will be involved in promoting and administering the Bank's lending activities. Reporting to the Head of the Corporate Finance Department, you will also be expected to visit potential clients, carry out market research and undertake customer credit analysis.

Ideally a Law or Business Studies graduate, aged early/mid-twenties and living within easy commuting distance of the City, you must be able to interpret company balance sheets and P & L Statements. Co-operative, energetic and confident enough to converse at top management levels, you will above all, be willing to learn.

A very attractive salary is negotiable plus normal banking benefits. Interested? Then ring or preferably write to me, Richard J. Sowerby, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Chesham House, 150 Regent Street, London W1R 5FA. Tel: 01-439 6288.

Sowerby's Selection

LEADING U.S. INVESTMENT BANKING FIRM

A prestigious Firm, actively trading worldwide, seeks a bright, young person to join their Settlements Department.

Applicants must have a university degree, and be fluent in German, Scandinavian languages and English. Some previous settlements experience, notably in Swiss Francs, Norwegian Kroner and Deutsch Mark is considered desirable for this challenging position, working in a fast moving financial environment.

Excellent remuneration/benefits package and good career prospects.

Please write, enclosing a detailed curriculum vitae, to:

Box No: NR00101
The Extel Consultancy
Hazlitt House
4, Bouverie Street
London EC4Y 8AB

ARAB BANKING CORPORATION

London

requires the services of a

QUALIFIED ECONOMIST

to act as Assistant to the Head of the Economics Depart-
ment based in London.
The applicant must hold high academic qualifications—
PhD or minimum Masters Degree—and should have a wide
knowledge of the economies of the Middle East and North
Africa and in particular of ABC's shareholders' countries
—Kuwait, Libya and UAE.
The applicant must be fluent in English and Arabic and
capable of producing good translations in both languages
and should preferably have worked in one of the share-
holders' countries in this specific field for not less than
ten years.
Candidates should be aged between 40 and 50 years and
hold a valid UK work permit.
The position will be at Assistant Vice-President level and
salary will be according to qualifications and experience.
Replies should be marked Strictly Private and Confidential
and addressed for the attention of Dr. B. Smith, Arab
Banking Corporation, 5th Floor, Arab Banking Corporation
House, 1-5 Moorgate, London EC2R 8AB.

HANSON TRUST

SOLICITOR OR BARRISTER with corporate/financial/litigation experience, to join Chairman's central executive team. Preferred age: 30 to 45.

We offer responsibility, action, the opportunity to make a real personal contribution and move ahead. Send photo with fullest c.v. to The Chairman, Hanson Trust, 180 Brompton Road, London SW3 1HF. Envelope to be marked "LEGAL."

THE JOB IS OPEN NOW. WE SHALL CHOOSE THE PERSON WHO SHOWS THE MOST DRIVE, INITIATIVE AND ENTHUSIASM.

Taxation Specialist

J. Henry Schroder Wagg & Co. Limited, one of the leading U.K. merchant banks, is looking for an additional Specialist to join its Taxation Department to help keep pace with the rapid changes now taking place in merchant banking and in the securities industry in London and overseas.

The successful applicant will probably be in the age range of 25-35 and will have gained a measure of practical experience in corporate taxation since qualifying as an Inspector of Taxes or a Chartered Accountant.

He or she will be part of a team which looks after the increasingly complex tax affairs of the Schroder Group itself and of a number of investment companies and unit trusts managed by the Schoder Group. In addition, the new member of the department will become involved in a broad cross-section of the many and varied activities in which a leading merchant bank takes part.

A fully competitive salary is offered together with an attractive range of benefits including mortgage subsidy and a generous non-contributory pension scheme.

Applications in writing, with full curriculum vitae, should be made to: Mr. John R. Lambert, Head of Staff and Administration, J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 6DS.

Schroders

Market Making Settlement Managers

For the UK and International Markets – £35,000 to £40,000 package

Our client is a leading broking house, closely associated with a major international banking group. As part of their preparation for "big bang", they now wish to appoint two new managers to take responsibility for the UK and International Equity Market Making Settlement offices.

These are both new jobs created as a result of the promotion of the current manager and the development of the company to make the maximum success of the opportunities created by "big bang".

MANAGER – UK MARKET MAKING

The task is to create the best new settlement office in London for Market Making in UK Equities, with considerable scope for the input of personal ideas and experience. Substantial support and investment are already allocated. It is intended to install the latest computer system, and input into the specification of this will be an early priority.

MANAGER – INTERNATIONAL MARKET MAKING

The task is to take over and expand an existing, highly successful international settlement office, to prepare for a substantial growth in business volume, and to introduce a new computer system which must smoothly intregrate with existing automation. Good new ideas will have an important part to play.

These are both seen as key senior appointments and it is thought that in order to have the experience needed, you must have had at least several years' experience as a deputy manager of a successful settlement office or already be running one.

Base salary will probably be in excess of £25,000 plus bonus which is profit related and has been more than 30% recently. However, high quality experience and ability are of prime importance to our client and the salary level offered will reflect this.

In addition, a car of personal choice will be provided to the value of about £12,000. There will be immediate private health sector cover and there is a non-contributory pension scheme.

All candidates will be treated in strict confidence. Please list on a covering sheet any companies to whom you would not wish your name to go forward. Please write quoting ref 4347 enclosing brief details of your experience to Sarah Bryson, Moxon Dolphin & Kerby Ltd, 178-202 Great Portland St, London W1N 5TB.

MOXON DOLPHIN & KERBY LTD EXECUTIVE SEARCH & SELECTION

ACCOUNTANT to £20,000
On behalf of a first rate International Bank, well established in London, we are seeking an Accountant, ACA or ACCA, with at least 2 years post qualification experience preferably in banking. Applicants for this key position should have potential for further advancement.

ASST TO CHIEF ACCOUNTANT to £17,000
International Bank requires a person 25-35 to manage a section involved with the preparation of Management Accounts, Central Bank reporting, taxation, etc. Candidates should be part qualified or have relevant experience gained within an International Bank.

EUROBOND TRADING negotiable
Respected North American Bank, developing a fixed income and securities portfolio requires a Trading Manager with at least 2 years bond trading experience to establish the section and an experienced dealer to assist the Manager. Remuneration is negotiable and will reflect the importance of these assignments.

FX DEALER Negotiable
U.S. Bank with good trading name currently requires a person with sound dealing experience particularly on spot currencies to join active team. In addition to a highly competitive salary, a substantial performance related bonus is paid.

MONEY MARKET DEALERS c£20-35,000
On behalf of several client banks, we are seeking people with relevant experience in money market dealing. Opportunities cover various levels through to Manager level with remuneration appropriate to these levels and interested parties are invited to call Gordon Brown for a confidential informal discussion.

EUROBOND SALES £30,000+
Newly established Investment Banking subsidiary of an International Bank is currently seeking a person with at least 1 year's experience in handling straight bonds/FRN's. In addition to a competitive salary, remuneration includes an annual bonus and company car.

ANALYST/PROGRAMMER to £20,000
First rate International Bank has a key opening for a systems analyst with RPG II/Cobol programming experience. Responsibilities include liaison between users and data processing, the management of projects and involvement in project planning etc.

INVESTMENT MANAGEMENT Negotiable
Prime U.S. Bank, currently developing a section specialising in equities business, requires a Manager and an Assistant with relevant experience, gained in a financial institution following a good educational background probably including a degree in economics.

ACCOUNT OFFICER c £20,000
European Bank, currently expanding lending operations in its London branch requires a graduate, aged late 20's to early 30's, with several years relevant experience, to be responsible for business development and relationship management for a specific area.

Gordon Brown
Bank Recruitment Consultants
57/59 London Wall, London EC2M 5TP
Telephone: 01-628 4501

Fund Management opportunities

Scimitar Asset Management Limited, the newly established investment management company of Standard Chartered Merchant Bank, requires two Assistant Fund Managers to work in its Pension Fund and Fixed Income Departments. These are unique opportunities for the right candidates to participate from the beginning in establishing an important division of one of Britain's major international banking groups.

Applications are invited from candidates in their mid to late twenties, preferably with a University Degree and three years' experience in investment management. The successful applicants will be expected to play an important role in establishing the business of Scimitar and must be able to accept a high degree of responsibility at an early stage.

Written applications with full curriculum vitae should be sent in confidence to:–
The Managing Director,
Scimitar Asset Management Limited,
33–36 Gracechurch Street,
London EC3V 0AX.

Standard Chartered
Scimitar Asset Management Limited

PR DIRECTOR

A major London communications agency seeks a heavyweight PR Director with extensive consultancy experience in press and public relations and public affairs.

The principal role will be the management of a major City account, where the client is facing significant opportunities and challenges both in the short and long term. The successful applicant will advise at the highest level on the formulation and implementation of communications strategy directed at a wide range of target audiences, and must have commensurate experience as well as a proven track record as a senior PR professional.

The position offers an excellent salary and other benefits to be negotiated, as well as Board membership. The remuneration package includes profit-sharing and equity participation in a highly successful company.

Please write in the strictest confidence, enclosing curriculum vitae, to Box A0019, Financial Times, 10 Cannon Street, London, EC4P 4BY.

FINANCIAL ANALYST

West of London £14,500+

Our client is a subsidiary of an international service organisation operating in the U.K., Eire and Continental Europe.

Substantial investment is resulting in rapid expansion and the need to appoint a Financial Analyst who will, within a computerised environment, undertake full operational and financial analysis to ensure first-line management is provided with accurate and relevant information to assist in the control and development of the business.

Primary areas for attention will be in co-ordinating the flow of data from units, detailed business performance and cashflow forecasting and financial modelling to extrapolate growth trends under alternative development strategies.

The successful candidate will have at least 2 years' experience in a relevant function, such as Operational Research, Financial Analysis, Computer Sciences or Statistics and will possess an appropriate numerate degree. Probably aged 25-30, this position demands a highly disciplined and analytical mind and calls for originality and initiative in identifying problem areas and devising practical solutions.

This appointment, which reports direct to the Financial Director, carries an attractive salary and is based in a pleasant Home Counties location.

Please respond in confidence with C.V. to:
Stephen Mawditt,
Managing Director.

Senior Management International
Executive Search Consultants
Landseer House
19, Charing Cross Road
LONDON WC2H 0ES

FINANCIAL CONTROLLER/ POTENTIAL FINANCIAL DIRECTOR

Circa £17,500 + CAR + RE-LOCATION TO SUFFOLK + BENEFITS

A long established, progressive, family owned and managed group (sales £4 million p.a.) requires a FINANCIAL CONTROLLER/POTENTIAL FINANCIAL DIRECTOR.

Reporting directly to, and working closely with the Chairman and the Managing Director, the successful applicant will be responsible for the full Finance Function in a complex manufacturing enterprise.

This challenging new post provides an excellent opportunity to introduce modern financial disciplines with strong commercial involvement as a key member of the top management team.

Candidates should be Qualified Accountants, with wide industrial experience and preferably a knowledge of Foreign Trading.

Reply in confidence to: M. C. MacSwiney FCA (Ref. BJW)
Grant Thornton, Churchgate House,
35 Churchgate Street, Bury St. Edmunds,
Suffolk. IP33 1RD

CJA RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-638 9216

Opportunity for promotion within 6–12 months

CJRA SENIOR CD/EURONOTE TRADER

CITY £28,000 – £35,000 + Car

LEADING INTERNATIONAL BANK, A PRIME NAME IN THE MARKET

The further expansion of our Client's successful dealing team means that they now invite applications from dealers aged 28-35 who must have had at least 2 years' experience in trading the above instruments, particularly secondary CD's. The successful candidate must be self-motivated, thrive on working in a demanding yet stimulating environment, and show they will be able to develop this specialised area of the market. Promotion prospects are excellent. Initial starting salary, which is negotiable, is likely to be in the range £28,000 – £35,000 and will be supplemented by a full range of banking benefits including a company car. Please quote reference: SCDET 17382/FT.

CJRA PORTFOLIO MANAGEMENT

CITY To c.£20,000

This same client invites applications from professionals who will probably have a minimum of 2-3 years' experience in the dealing, analysis and management of UK and international stocks and bonds preferably on a discretionary basis. Funds under management are growing and the successful candidate, by a combination of wide ranging contacts at a senior level in the London market, plus flair and initiative will be required to further develop this area of the banks business. Promotion prospects are excellent and the starting salary, expected to be to c.£20,000, will be supplemented by the full range of banking benefits. Please quote ref: APM 17383/FT.

Applications in strict confidence under the appropriate reference will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

ORGANISATIONS REQUIRING ASSISTANCE ON RECRUITMENT PLEASE TELEPHONE 01-628 7539.

Management of Health Services in Yorkshire

DIRECTOR OF FINANCE

The Yorkshire Regional Health Authority is restructuring its organisation to meet the challenge of today's management task in health and has a vacancy for a Director of Finance.

The Director of Finance will be a member of the Regional Management Board, will advise the Regional General Manager on all financial matters; develop regional financial policies; develop, administer and co-ordinate the Authority's finance functions; and provide leadership to District Health Authorities' finance functions. There are 17 District Health Authorities providing services to 3.5M people with an annual budget of £745M.

Salary will be in the range of £24,067 – £27,421.

Applications (by CV) with the names of 2 referees to:
The General Manager, Yorkshire Regional Health Authority,
Park Parade,
Harrogate HG1 5AH

not later than
31st January 1986.

Yorkshire Regional Health Authority

Portfolio Manager

Philips Pension Fund Central London

An opening has now arisen within our Central London office for a Portfolio Manager for the Philips Pension Fund. Ideally under 30 years of age, the successful applicant must have at least two years' experience of analytical work covering both UK and overseas equities and have held a post which involves taking some responsibility.

Candidates should hold an appropriate qualification and be capable of playing a full part in decision making within a small team.

Salary will be commensurate with experience and ability and conditions of employment are those associated with a large organisation.

Please send brief details to Mrs. M.D. Rush, Central Personnel Department, Philips Electronics, 8 Arundel Street, London WC2R 3DT. Preference will be given to non-smokers.

PHILIPS

Looking for greater challenges and rewards in 1986?

LICENSED SECURITIES DEALER: TO £30,000 PLUS

1985 proved so successful for our company that we need more professionals to help us handle our anticipated growth in 1986.

Ideally, applicants should have had at least two years experience marketing securities on any of the recognised markets. However, those with experience in any other related spheres may be considered.

You will be working for a Licensed Dealer in Securities in excellent new City offices. As part of a professional team, you will be working with a broad product and client base and, most importantly, you will be rewarded according to your effort.

Please reply in confidence, enclosing brief CV, to Box A0016 Financial Times, 10 Cannon Street, London EC4P 4BY

IRVING TRUST INTERNATIONAL LIMITED

The UK incorporated securities subsidiary of Irving Bank Corporation invites applications for the position of

EURO-SECURITIES SALESPERSON

from individuals with a minimum of three years experience managing or servicing the euro-securities portfolios of non-financial institutions including Central Banks, Supernationals, Monetary Authorities, Money Funds and Corporations. Remuneration negotiable and competitive.

Applications should be addressed to:
John R. Windeler,
Managing Director at
36/38 Cornhill, London EC3V 3NT

MONEY MARKET MANAGER £ neg c £30,000 p.a.
To lead a team of 5 dealing in all aspects, including LIFFE, in an international bank with representation on LIFFE.

MONEY MARKET DEALER c £25,000
This newly created dealing room position requires a dealer with good all round experience including Financial Futures to join an active team.

EUROBOND TRADING MANAGER c £55,000+ bonuses
Is required to head up a new team in an international bank who need the services of an experienced and knowledgeable manager to keep abreast of all areas and developments in this market.

EUROBOND TRADER c £35,000
To join the above manager and deal in major currencies straights plus other instruments.

CAPITAL MARKETS BUSINESS DEVELOPMENTS £ open
Two positions exist in an expanding operation dealing in international securities on the "buy in" side, to develop client business in Europe. Fluent French or German essential.

JUNIOR EQUITIES DEALER c £14,000

FINANCIAL ANALYST with a view to dealing £ neg.

OLD BROAD STREET BUREAU LIMITED
STAFF CONSULTANTS
01-588 3991

EUROPE

Analyst/Salesperson

VIVIAN GRAY & CO. is rapidly building a significant presence in marketing European Equities. We are currently in the process of expanding this business and accordingly we wish to recruit someone with an analytical background and knowledge of Continental equities. An understanding of German and/or French would be a significant advantage. Salary and terms will be competitive and related to the individual's experience and level of achievement.

Please write with personal and career details to:–
Roderick Orr, Vivian Gray & Co.
Ling House, 10/13 Dominion Street
London EC2M 2UX

VIVIAN GRAY

MEMBERS OF THE STOCK EXCHANGE ESTABLISHED 1877

LEGAL ADVISER FOR LIFE AND PENSIONS/ COMPANY SECRETARY

The right applicant would be expected to:
1. Be qualified as a solicitor or barrister
2. Have experience in the life and pensions industry
3. Be appointed Secretary of M&G Life Assurance Company Limited and M&G Pensions and Annuity Company Limited.

Initially, responsibilities would be drafting and vetting all legal contracts, vetting of policies and literature, secretarial duties, product development, branch properties. The applicant would be expected to work in the Administrative Office in Chelmsford.

Salary – according to age and experience.

Please write to or telephone:
Richard R. Cockroft,
Managing Director,
M&G Assurance Group Limited,
Three Quays, Tower Hill,
London EC3R 6BQ.
Tel: 01-626 4588, ext. 250.

M&G Life

PRIVATELY OWNED LONDON BASED COMPANY

with varying Business interests in Europe, Africa and the Middle East requires the following personnel directly responsible to Managing Director

1. FINANCIAL CONTROLLER

experienced and qualified Accountant 30-45 years of age to assist in the expansion and development of the company's projects. Responsibilities include Investments Appraisals, Loan Evaluation and all Management Accounting. The position involves Overseas Travel. Knowledge of French is necessary.

2. PURCHASING & SALES EXECUTIVE ASSISTANT

Experienced in Marketing, Purchasing and Export formalities and Services to the African and Middle East territories. Fluent knowledge of technical English, French and Arabic is essential to independently negotiate and follow-up day to day transactions with overseas firms. Position involves Overseas Travel. The Applicant: Age 25-35 holding a University Degree in Business Studies and Professional Certificate in Marketing/Purchasing. Minimum 3 years and previous business relations in the above territories are required.

3. SECRETARY

Fluent in English and French, with first class secretarial skills. W/P knowledge is an advantage. Some Overseas Travel is involved. Age 25-40.

Salary + negotiable.

Please write enclosing full career details to Box A0010 Financial Times, 10 Cannon Street, London EC4P 4BY.

Accountancy Appointments

UNIVERSITY OF DUNDEE

FINANCE OFFICER

(RE-ADVERTISEMENT)

Applications are invited for this post which will fall vacant in 1986 on the retirement of the present Finance Officer. This is the most senior financial post in the University and candidates should be able to demonstrate both an ability to manage a wide range of financial operations and a capacity to provide sound financial advice to the University Court and its officers on the management and development of the University.

The successful candidate will require to be professionally qualified and will probably be in the age range 35-45, with sound management accounting and financial control experience in a commercial-type environment, including a good knowledge of the application of computers. Applicants who do not meet all of these criteria, however, will be given full consideration.

The appointment will be made in the Grade IV range for University administrative staff, with initial salary placing according to the qualifications and experience of the successful candidate. The appointment will be subject to superannuation under the Universities Superannuation Scheme.

Further particulars may be obtained from the Secretary of the University, Dundee DD1 4HN, with whom applications (8 copies) including the names of 3 referees should be lodged not later than 31st January 1986. Please quote Ref: EST/28/85FT.

CHEMICAL BANK

MARKETING SUPPORT – TAXATION

c£20,000 + car + benefits

Chemco Equipment Finance Ltd is a leading subsidiary within Chemical Bank's international financial service operation. They offer a full range of 'medium to big ticket' leasing facilities to a varied and prestigious client portfolio. Increased volume of activity has led to a requirement for an experienced taxation professional.

Applicants will be aged 25 to 30, ACA's/FCA's and preferably hold the position of Tax Senior/Manager within one of the major professional firms. They will have a thorough technical knowledge of UK taxation, a working knowledge of the US system and preferably some knowledge of European/US cross border tax regulations. Responsibilities will include the provision of specific accounting support to the Managing Director (to whom they will report) together with specialised tax support both for the company and the banking group in general.

Whilst the technical expertise is a prerequisite, the successful candidate will also have sufficient commercial flair to put this knowledge into practice in the structuring and negotiation of complex financial transactions. Those interested in this excellent career opportunity should contact:

Carole Evans, Personnel Officer, Chemical Bank, 180 Strand, London WC2R 1ET.

FINANCIAL CONTROLLER

Foreign Exchange Division

Major Merchant Banking Group

ACA, 27-33

Salary c.£25,000

One of the most prestigious Merchant Banking Groups in the City seeks a graduate chartered accountant with post qualifying experience in the treasury function within the banking sector.

Reporting to the Executive Director of the foreign exchange division, the main areas of responsibility will include the financial management and control of Forex dealing, options, FRA's and futures, the development of new, integrated, computer systems and liaison with the Central Bank accounting office.

This post offers considerable opportunities for development in an expanding area of the bank's operations. Applicants must demonstrate the necessary levels of experience, technical ability, personality and strength of character. The rewards include a competitive salary, car and the usual range of banking benefits.

Please write in confidence, with full career details, quoting reference 3972/L to John W. Hills, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT MARWICK

Commercial Analysis

ACA's 25–28 years

Central London

£18,000 – £21,000 + Car

These high-profile roles offer extensive exposure to senior management and outstanding international career prospects. Their influence extends to all business areas including research and development, production planning, advertising expenditure, capital projects and acquisitions. They require some overseas travel and a willingness to participate in exchange programmes with counterparts in the USA.

Candidates should have trained with one of the major accounting firms and be eager to apply their financial expertise to non-accounting issues within a prestigious multinational.

Interested applicants should telephone David Ryves on 01-734 0493 or write giving brief details to the address opposite.

Robert Walters Associates

Recruitment Consultants

54-62 Regent Street, London W1R 5PJ.

Telephone: 01-734 0493.

Group Accounting Manager

Surrey **c£25,000 package**

Our client, a major part of a multi-billion pound turnover international corporation includes several well-known names in the field of electrical/electronic equipment and services. As a result of a recent promotion and reorganisation, the need has arisen for a high-calibre accountant to be based at the head office in Surrey.

This challenging position entails complete responsibility for group accounting and will involve considerable development of this complex function including the use of micro-computer facilities. You will be responsible for controlling a small team in the department.

After an initial period it is intended that the scope of the role will be broadened further to take in legal and administrative responsibilities with the benefit of additional staff.

In line with the scale of the position it is essential that you will have had significant post qualifying experience of group accounting within a large organisation. The successful candidate will be a mature individual, aged around 35-40, capable of demonstrating tact, diplomacy and man-management abilities. Fluency in French would be seen as a distinct advantage.

Interested applicants should send a comprehensive C.V., quoting ref. 293, to Nigel Bates, FCA, Executive Division, Michael Page Partnership, 39/41 Parker Street, London WC2B 5LH.

Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

A member of the Addison Page PLC group

UNIT MANAGEMENT ACCOUNTANTS

(2 Posts)

SALARY — Post 1 (£15,500 to £19,500)
Post 2 (£14,000 to £18,000)

A very important part of the introduction of General Management is the establishment of UNIT FINANCIAL MANAGEMENT. These new posts will fulfil that role, one at each of our two Units. The Acute Unit has an annual budget of c. £37m and the Community Unit c. £25m.

Both posts will be directly responsible to the Unit General Managers and the successful applicants will make a major contribution to the Management of the Units.

As indicated by the salary offered these are key posts and applications are therefore sought from suitably qualified persons who have appropriate experience at a senior level. Application forms and further details may be obtained from: The District Personnel Officer, 7, Nelson Gardens, Stoke, Plymouth PL1 5RJ.

Mr Steve Anderson, Director of Resources, will be happy to discuss the posts. (Telephone Plymouth 562552.)
Closing Date: 31st January, 1986.

PLYMOUTH HEALTH AUTHORITY

Young Accountant

Northern Home Counties **to £17,000 + car**

Our client is a division of a successful and expanding PLC and has interests in both retail and manufacture in the consumer fashion sector. They are seeking to appoint a young accountant, initially to act as a management accountant with a range of specific projects, including the improvement of reporting and control systems and the uprating of their computerised accounting prior to an expected appointment as Chief Accountant.

Candidates, male or female, should preferably be of Chartered status and have had 2-3 years line management experience after qualification. They should have had experience in the use of computerised systems and ideally a background in retail. They must be mature, good communicators with an ability to mix at all levels and endowed with sound practical commonsense.

The package will consist of a salary of up to £17,000 plus a car and other large company benefits.

Please reply in confidence, giving full details of personal history, quoting reference 1528 to Keith Phillips as Advisor to the Company at:

John Anderson & Associates

Executive Search & Selection

Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

Finance Director Dussek Campbell

Crayford **to £25,000 + car + benefits**

This is a rare opportunity to combine, at director-level, the financial management of a UK operating company within a major British Group with the additional responsibility of monitoring its international business performance and analysis of acquisitions and investments worldwide.

Dussek Campbell, part of the Burmah Group's developing speciality chemicals division, markets a specialised range of wax and oil-based compounds and a range of timber preservatives under the well-known Solignum name.

Reporting to the UK Managing Director and a member of the UK Management Committee, you will be responsible for all financial and accounting aspects of the business — including a UK capital investment programme — and be expected to make a significant contribution to its growth and expansion. In addition, you will be required to develop further the computerisation of the company's financial systems.

You must be a qualified accountant with at least eight years' post-qualification experience where the majority of your time should have been spent working in a manufacturing environment. An effective manager with excellent communication skills, you should be able to demonstrate a background of achievement including the introduction of sophisticated systems.

Applications, in writing, should be made to David G Freeston, Recruitment and Information Manager, Burmah Oil Trading Limited, Bowater House, 68-114 Knightsbridge, London SW1X 7LR.

Burmah

Christie-Tyler PLC

FINANCE DIRECTOR (DESIGNATE)

Circa £20,000 plus car plus benefits

Christie-Tyler PLC, one of the leading furniture manufacturers in the United Kingdom and a member of the Hillsdown Holdings Group, has a vacancy for a Finance Director at one of its subsidiary companies. The company, which is based near Cardiff in South Wales, is fully autonomous and a market leader within the upholstery industry.

Candidates, preferably between 28 and 38 years, must be qualified Accountants, with previous experience at a senior level in industry or commerce. The person must have sound commercial awareness and be prepared to take an active role in the general management and development of the Company, in addition to controlling all financial and administrative aspects.

This is an excellent opportunity in an interesting environment and offers good prospects for further career development within the group. A basic salary of £18,500 plus a bonus based on results will be paid, together with benefits which include a car, pension, free life assurance and BUPA.

Please apply with full career and personal details to:

P.N.T. Whiting, F.C.A.
Group Financial Controller
Christie-Tyler PLC
Brynmenyn, Bridgend
Mid Glamorgan CF32 9LN

Gabriel Duffy Consultancy

ICI Imperial Chemical Industries PLC

TAX ADVISER **CENTRAL LONDON**

AROUND £27,000 + CAR

As a result of internal promotion ICI is seeking a taxation specialist for an appointment in its Head Office Tax Department.

The appointee will join a highly professional team whose responsibilities cover the tax affairs of the ICI Group worldwide. There will be involvement in a wide range of taxation issues relating to operations in the United Kingdom and overseas of both a corporate and personal nature. A detailed knowledge of the relevant areas of UK taxation is required and International tax experience would be useful, but the calibre of the individual as demonstrated by achievement in taxation problems already tackled will be of overriding importance.

In addition the chosen applicant should have the personal qualities to ensure successful career development, not only in the taxation department but also within the finance function.

Recruitment to the Taxation Department has in the past provided a useful entré to progress in the accounting and finance functions of the ICI Group.

Candidates should be Chartered Accountants, Solicitors or Inspector of Tax of ability and ambition.

In the first instance please contact FRAN FRIEDMAN at the London office on (01) 623 3195 (day) or (01) 360 7902 (evenings and weekends).

All replies will be treated in the strictest confidence.

Gabriel Duffy Consultancy Gabriel Duffy House,
17, St Swithin's Lane, Cannon Street, London EC4N 8AL.

Divisional Finance Director—Construction

We are a profitable construction based Group with a turnover of £350m.

Following diversification the Group has been re-organised and 70% of the activities have been brought together in a new Construction Division.

Divisional Headquarters are at an attractive location on the Wirral Peninsula.

Accounting is well established in the Group, but there is a need for co-ordination of the function across the new Division, and for it to be developed further.

The requirement is for an FCA, aged 33-40 years, who is currently holding a senior financial role in the construction industry.

As a member of the management team, applicants will be expected to interpret results and to contribute to the continued profitable growth of the business. They will need to be strong and effective communicators.

An attractive package will be offered including a company car and relocation assistance, where required.

Please ring or write for an application form to:

G. G. Beaumont,
Group Director of Personnel,
Alfred McAlpine PLC,
Hooton, South Wirral, Cheshire L66 7ND
Tel. 051 339 4141

Alfred McAlpine

Accountancy Appointments

OUR MANAGEMENT CONSULTANCY REPUTATION WASN'T WON BY LEAVING CLIENT PROBLEMS TO CHANCE.

At Touche Ross Management Consultants, the wishbone has never been considered as a tool of the trade. Our business philosophy naturally encourages free ranging ideas but not those based purely and simply on chance.

We have built our substantial reputation on a rock solid foundation of quality and professionalism; providing practical solutions to client problems; creating valuable decision making aids for commerce and industry.

In under two years we have seen our management consultancy practice double in size, despite increasing market place competition. But we're not resting on our laurels. We recognise that a reputation is only as good as the last assignment, so it's reassuring to know that the vast majority of our clients return with further projects.

The problem-solving nature of our work takes us into small businesses and multi-national corporations alike. And the following summary of our involvement may help you to decide if a career with Touche Ross is worth looking into:-

Financial Institutions: A major feature of the practice is our work for banks, insurance companies, stockbrokers and other members of the financial services industry. Here, our experience covers major organisation studies, the design of management information systems, profitability reviews and computer development.

Government: Our consultants are well versed in responding to the particular needs of the public sector where decisions are often of exceptional complexity due to the economic and social factors involved. Privatisation studies, IT systems, project appraisals and health care consultancy are amongst our recent activities.

Distribution: Investment in transport facilities poses crucial questions for both government and the businessman. Strategically, our assignments have included reviews of mergers and acquisitions, major feasibility studies for shipping and bus companies and systems improvement/computerisation for several national airlines. We have helped many clients reduce their physical distribution costs through improved vehicle fleet composition, routing and utilisation.

Touche Ross
Management Consultants

Manufacturing: Successful manufacturing enterprises are those which anticipate change and its effect. Whether products are produced by robots or by craftsmen, the problems remain the same; there must be tight control over raw materials, production scheduling, labour and overheads. Our recommendations have involved the introduction of computer-based systems in these areas for a broad spectrum of manufacturing industries.

Infrastructure Projects: We often work with consulting engineers and other professionals on infrastructure projects ranging from rural and urban development, expansion of transport facilities, to the upgrading of utility and communications services. We have also advised overseas governments on ports and customs management, agricultural and tourism development.

There are many other facets to our practice but hopefully we have given you an insight into the immense scope and diversity of the work. Would **you** like to be part of it?

Specifically, our need is for people determined to get to the top of their profession, be it accountancy, economics, computing, industrial marketing, engineering or personnel. People with clear, incisive minds who can grasp a problem, analyse it from all sides and then confidently produce a reasoned, practical solution.

A good first degree plus appropriate professional qualification are essential, as indeed is a single-minded commitment to career achievement. An excellent training programme allied to the wealth of knowledge readily available from more experienced colleagues will ensure rapid personal development, with exceptional men and women progressing to partnership in, say, three years. Salaries are open to negotiation but will not present a barrier. A company car is also provided.

One final point. There is no bureaucracy here; just constant challenge, change and the stimulation that flows from working in small teams. **If you meet our profile, please write or telephone immediately, in absolute confidence, to: Michael Hurton, (Ref. 2345), Touche Ross & Co., Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.**

Health Care Accounting

Our client is a premier private hospital in West London which has grown rapidly in size and achieved a notable reputation for the excellence of its services and staff.

To ensure that the highest standards are maintained along with this growth, the supporting Accounting Services have been re-developed, leading to these new opportunities.

Financial Accountant

c. £14,500 p.a. — To improve and develop accounting controls; co-ordinate and monitor the preparation of monthly accounts; guide and support department team.

Candidates should be at least "finals" standard or be able to show a sound knowledge of financial and management accounting principles, with particular experience of monthly and annual accounts and the preparation and control of ledgers.

Credit Manager

c. £14,500 p.a. — A working manager, with two staff, you will be a key representative of the Hospital, managing the collection of monies to "terms". A presentable and innovative credit control specialist with proven experience, the successful candidate will be required to liaise with customers, outside agencies and colleagues in service departments.

Sales Ledger Manager

c. £14,500 p.a. — To manage staff concerned with creating and maintaining documents on a computerised system, covering all receivable items and services provided by the hospital with a view to establishing procedures and controls for the protection of regular and prompt billing and statements. Candidates should be able to show experience of developing procedures and controls and of supervising and developing staff.

Assistant Financial Accountant

c. £12,500 p.a. — To provide support and assistance in any area delegated by the Financial Accountant (see duties above).

Candidates should be able to show sufficient knowledge and experience of management and financial accounting principles to offer flexible support across the range of department duties.

All applicants should write in the first instance providing details of experience, qualifications, earnings and circumstances to: R. T. Scott, Managing Consultant
Taylor Scott Associates Limited
Personnel Management & Recruitment Consultants
c/o Austin Knight Advertising Limited, Ref WJS,
London W1A 1DS.

STA

Investment & Taxation Accountant

We are a prestigious and rapidly expanding Company in the Financial Services sector seeking to recruit an ambitious and highly motivated Investment and Taxation Accountant. Reporting to the Chief Accountant the successful candidate will control a small department responsible for Investment Accounting, Treasury and Corporate Taxation.

Candidates should be qualified Accountants with a working knowledge of computerised reporting, preferably in a relevant sector and with sound technical skills.

Remuneration package of £20,000 with excellent benefits, including 5 weeks holiday, non-contributory pension scheme, share option and profit sharing schemes.

For further information please contact:
Mrs Patricia Copeland
Personnel Manager
Hill Samuel Life Assurance Limited
NLA Tower
12-16 Addiscombe Road
Croydon CR9 2DR
Tel: 01-686 4355 ext 2382

HILL SAMUEL
LIFE ASSURANCE

FINANCIAL DIRECTOR

Age 30-40 **£25,000 + Car**

South Wales

A light engineering manufacturing company with a turnover of £7 million which markets its products throughout the UK and overseas is seeking a commercially-minded Financial Director.

Reporting to the Managing Director, the Financial Director will play a key role in the senior management team. Responsibilities will include providing financial advice to the Board, producing and interpreting financial information and being heavily involved in business planning and development. The responsibilities also include the preparation of statutory accounts, secretarial matters and the running of the Accounts Department.

Relocation expenses will be paid where appropriate.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2349, to W L Tait, Executive Selection Division.

Touche Ross
The Business Partners
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

INTERNAL AUDITORS

BOC is one of Britain's largest international companies. We are in the process of building a new internal audit (accounting control) department, based at the Group's prestigious corporate headquarters at Windlesham in Surrey, and have vacancies for experienced auditors.

This is an excellent entry point to the Group and provides a significant opportunity for young graduate accountants to further their own careers and to contribute to the continuing success of both the Group and the accounting control department.

Successful candidates will:
- Impress us with their foresight, initiative and sound judgement
- Have at least four years of accounting and auditing experience and be able to demonstrate a successful career to date
- Plan and carry out assignments cost-effectively and to the highest professional standards
- Communicate and develop good working relationships with operating management and colleagues
- Demonstrate sound business sense in identifying problems and recommending practical solutions to them
- Be willing to travel in the UK and overseas for up to 75% of the time

Starting salary is negotiable at around £17,000 pa.

If you are interested in applying and believe you can meet our exacting requirements, please write in confidence to: Mrs R Cornfield, The BOC Group, Chertsey Road, Windlesham, Surrey GU20 6HJ.

THE BOC GROUP

FINANCE MANAGER

up to £20,000 + car **CITY**

Ellerman Lines is a successful container shipping company entering an exciting new phase in its development. We need a commercially oriented Finance Manager for one of our major trading units.

Reporting to the unit Director, the successful candidate will have the technical skill necessary to maintain a high standard of financial accounting service and the ability to translate such data into commercial realities. This is an excellent opportunity for an ambitious and able accountant who plans a future in general management.

Candidates, aged around 30, must be qualified accountants with some commercial experience, preferably in a service industry.

Please apply with full career details to:- Organisation & Management Development Manager, Ellerman Lines plc, 12-20 Camomile Street, London EC3A 7EX.

Ellerman
The right line to take

INTERNATIONAL PLANNED PARENTHOOD FEDERATION

Regional Accountant

£13,364 per annum

IPPF is a Federation of family planning associations carrying out family planning programmes in about 100 different countries, including 14 in the Arab World.

A vacancy for a Regional Accountant has arisen in our Arab World Regional Bureau, based in London. The accountant will be responsible for advising on the financial status of the associations, monitoring and analysis of financial reports, and training staff in accounting and management systems.

Applicants should be qualified accountants with accounting and financial management skills, and be fluent in English and Arabic. In addition, fluency in French would be an asset. Three to five years' experience, to include working in developing countries.

Salary: £13,364 per annum with other fringe benefits.

Please apply to:
Head, Personnel and Administration,
IPPF, 18-20 Lower Regent Street,
London, SW1Y 4PW.

INTERNATIONAL PLANNED PARENTHOOD FEDERATION

Accountancy Appointments

Group management accountant

London, c£25,000

C&L

For a long established quoted group, turnover £300m which has widened its base considerably in recent years both geographically and in market and product sectors. With a strong balance sheet the company is well placed to further expand its range of interests both in the UK and overseas.

Reporting to the Group Financial Controller the job is broadly based but with the emphasis on monitoring subsidiaries' performance, carrying out ad hoc investigations, reviewing the effectiveness of management information, trouble shooting and some systems work.

A qualified accountant probably aged around 30 you must have had several years' management accounting experience in industry preferably at both factory and group level.

Résumés including a daytime telephone number to Michael Pring, Executive Selection Division, Ref. R437.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

10 Bouverie Street
London EC4Y 8AX

Financial Controller

Bertie

London c.£21,000 +car & share options

Joseph Footwear Ltd., trading under the respected Bertie logo, is a well-established and profitable fashion footwear retailer. It has exciting plans to expand internationally from its base of 15 stores in the UK and USA.

This is a rare opportunity to join a dynamic young company and contribute as a member of the senior management team to its future success. Key tasks will include further development of the management information systems and the Company's financial strategy.

Candidates, aged around 28-35, should be Qualified Accountants with wide experience of the financial function. Exposure to international trade and/or the retail sector would be useful. Essential qualities will include a strong but diplomatic personality and excellent communication skills.

The above average package will include a fully expensed car and share option scheme.

Please reply to Martin Manning in strict confidence with details of age, career and salary progression, quoting reference 1554/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Appointments Wanted

FCA/MBA

Loyal, energetic 37-year-old with broad industrial/Commercial experience seeks real involvement as F.D. in small/medium sized company. Hants area based.

Write Box A0017, Financial Times, 10 Cannon Street, London EC4P 4BY

Acquisitions & Investigations Manager

London W1 — **around £30,000 + car**

Our client, a multiple retailing public company of national repute, is poised to expand both by acquisition and organic growth. We have been retained to find an exceptional individual who will combine imagination, persuasiveness and tact with the qualities of a self-starter. He/she will be a Chartered Accountant aged around 30 who has qualified with a major professional firm and gained post qualification experience in either a merchant bank, a management consultancy, the investigations department of a major professional firm or the central planning/acquisitions team of a large corporation. Working closely with the Finance Director, he/she will need to create a common sense of purpose with the other senior management, encouraging their co-operation and contribution towards the development and eventual fulfillment of his/her proposals. This is an unusual opportunity to play a central role in the re-direction of a substantial company and offers correspondingly attractive rewards and prospects. Ref: 1362/FT. Write or telephone for an application form or send full details (with telephone numbers and current salary) to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

Financial Controller

London
c£23,500 + car etc

Our client, a growing UK subsidiary in the tourism industry, wishes to appoint an ambitious and business minded accountant to assist in the continued development of the UK business.

In addition to the normal accounting and financial responsibilities, the successful applicant will work closely with the UK Chief Executive in the company's future growth plans.

Applicants aged 30 to 50 must be qualified accountants with several years experience in a position of responsibility, with proven ability and energy. If not already so, they must be prepared to develop their interest in the more general aspects of tourism/travel.

In addition to salary and car, benefits will include a pension scheme arrangement, life assurance and attractive holiday discount concessions.

Candidates can make application by sending a full CV including current salary and quoting MCS/7177, to Michael R. Andrews,
Executive Selection Division
Price Waterhouse
Management Consultants
Southwark Towers
32 London Bridge Street
London SE1 9SY

Price Waterhouse

Financial Manager

Electronics — **Tyne & Wear** — **c.£25,000**

This well established electronics business is now entering an exciting stage of market and turnover growth.

A requirement for a Financial Manager exists, reporting directly to the Managing Director, to supply meaningful management information vital to the new environment; and provide a creative input to the fast decision-making process of a small senior management team.

Although there will be full responsibility for the finance and accounting functions, including treasury, pension fund and company secretarial needs, the emphasis of the appointment will clearly be on establishing improved management accounting systems to support the profitable expansion of the business.

The post requires a qualified accountant, preferably a graduate, with strong personal drive and profit orientation, who can demonstrate a successful track record in a process or FMCG manufacturing background. The ability to communicate effectively and persuasively with personnel at all levels is essential.

Ideally candidates should be in their late 20's/early 30's, and of a calibre which justifies an initial salary package of c £25,000, with the potential for stock options.

Please reply in confidence to Derran Sewell, giving concise career, personal and salary details, quoting Ref. R130.
Arthur Young Management Consultants, Commercial Union House, Albert Square, Manchester M2 6LP.

Arthur Young Executive Selection
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Financial Controller

Sussex £18-20K + car

As a consequence of internal promotion, our client, the fast expanding housebuilding and property development division of a publicly quoted company seeks a successor as Company Secretary.

The person appointed will be a qualified accountant aged 30-35 with housebuilding or related construction industry experience and a working knowledge of micro computers and introduction of computerized systems. With overall responsibility for the efficient and timely preparation of all management and financial accounts and the full range of company secretarial matters, applicants must be self-motivated and be able to work under pressure. Location is in rural Sussex but the demands of the job will involve travel in the UK.

Benefits include an attractive pension scheme. Life assurance, private medical cover and excellent career prospects within the Group.

Please apply in *writing* in the first instance to: Adrian Whitbread, Moxon Dolphin & Kerby Ltd, 178-202 Great Portland Street, London W1N 5TB, quoting reference AW/4346/FT. Please state in a covering letter any companies to whom you do not wish your application sent.

MOXON DOLPHIN & KERBY LTD
EXECUTIVE SEARCH & SELECTION

ACCOUNTANCY APPOINTMENTS ADVERTISING

£41 per single column centimetre
and £12 per line
Premium positions will be charged
£49 per single column centimetre
For further information call
LOUISE HUNTER on 01-248 4864
or
TREVOR PUNT on 01-236 9763

Finance Director (Designate)

S. Yorks — **c£22,500 + Car**

Our client is a highly successful distribution subsidiary of a major international group and the UK's market leader in its sector. With annual sales already in excess of £35m. and a countrywide branch network, the company is ideally placed to fulfil its objectives of continued growth and diversification.

A financial executive is required to join a young management team, with responsibility to the Managing Director for the total finance function. In addition to the normal financial control responsibilities, with emphasis on control of working capital, the successful candidate will participate in the strategic decision making process, and develop relationships with external institutions, customers and suppliers.

Candidates should be qualified accountants, aged 30-45, and already have a successful track record which demonstrates a high degree of commercial awareness, coupled with strong management ability and communication skills. A knowledge of advanced computer systems would be a distinct advantage.

The remuneration package includes profit-sharing and share option schemes; relocation costs will be reimbursed where appropriate.

Interested applicants should write to Barry Ollier, ACA, quoting ref. L8203 at Michael Page Partnership, 13/14 Park Place, Leeds LS1 2SJ, tel. 0532 450212.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Finance Director

North East — **Over £20,000 + Car + Benefits + Re-Location**

Stadium Limited, a well established manufacturer of Plastic Mouldings, Mould Tools and Electronics Assemblies is in the process of re-locating a major part of its operation to the North East, on a green field site, with considerable plans for extension and expansion of all activities.

Reporting to the Managing Director, the Finance Director will be a dynamic, highly motivated, fully qualified Accountant who will contribute fully to the Company's future development by effective management of the group's finance function.

The role will have a strong commercial bias encompassing all Company Secretarial activities/administration together with providing financial/management information for internal and external sources. Experience of acquisitions, U.S.M. or stock market flotations would be advantageous as well as dealings with merchant banks, financial and government authorities.

Aged 30 – 40 you will have a minimum of seven years in positions leading to Financial Controller level in a manufacturing industry and be able to demonstrate professional, managerial and leadership skills.

The position offers an ideal opportunity to develop and extend an influential and 'hands on' management role in this expanding company. For further information please contact Harry Chalmers, Director quoting reference number WHC/SP/777.

AFA
Accountancy & Financial Appointments
P.O. Box 1HE, 5 Saville Place, Newcastle upon Tyne NE1 8DQ. Tel: (0632) 615135. Telex: 538169 KELBRN. Fax: 612432.
A division of P.E.S. Associates Ltd.

Financial Controller

S.W. London

£15-20,000 + Car

A long established U.K. company, 70 employees, now a subsidiary of a U.S. group, designs and manufactures electronic equipment and systems for military and industrial applications. Reporting to the Managing Director, the Financial Controller is responsible for a wide range of financial and administrative functions.

Candidates should preferably be qualified accountants with industrial experience. Familiarity with P.C. systems is essential.

Please write, enclosing c.v. and details of salary progression, to Nicholas Angell.

nicholas angell limited (selection division)
11 Waterloo Place, London, SW1Y 4AU.

FINANCE DIRECTOR

Oxford — **neg to £25K**

- Our client is a **fast growing high-technology company** with a world-wide market. It has now reached the stage of its development such that it is necessary to appoint a Finance Director.
- The successful candidate will be an accountant with some understanding of broad scientific principles, with experience of small growing high-technology companies together with hands-on experience of computerised accounting systems. He or she will be an intelligent, ambitious and people-orientated communicator with marked entrepreneurial flair. Age probably 28-40.
- **Salary negotiable to £25K** depending on age and experience. Car, Pension. **Share option on confirmation of directorship.**
- **For further details and an application form please telephone Lyn Staines, Recruitment Secretary on Windsor (0753) 867175 (24 hrs) quoting ref. DM/581.**

3i Consultants Limited
Human Resources Division

FINANCIAL DIRECTOR

Consumer Durables

c.£24,000 + Car

South Essex

- Are you a qualified CA/ACMA aged about 35-40?
- Have you substantial manufacturing experience preferably with an American company, and possibly in fast-moving consumer durables including export?
- Have you thorough experience of the costing and control of a multi-product operation?

Our client is the well-known profitable subsidiary of a large international American group. Can you make a positive contribution at Board level to company profitability and strategy, development and acquisition? There are outstanding career prospects for someone with management ability.

Please write or ring Anthony Falcon on 01-491 4014 quoting reference 460A.

COURTENAY STEWART INTERNATIONAL LTD.
Management Selection and Recruitment Consultants
3 Hanover Square, London W1R 9RD. Tel: 01-491 4014.

Accountancy Appointments

Financial Director

Leading specialist engineering company...

Guildford **c£22,000 + Car + Benefits**

As a specialist engineering subsidiary of a major U.K. manufacturing and service group, our client is noted for technical innovation, high quality design application and has an enviable reputation for production to the highest standards. The group has recently reorganised its resources affording major cost savings and excellent opportunities for expansion. This subsidiary currently has a turnover of £20m. and is an integral part of the group's future plans (group turnover currently standing at c£110m.).

Following the restructure, the company must now recruit an accountant with the key responsibility for establishing effective cost management and control. The specialist manufacturing and assembly environment calls for experience of sophisticated product costing systems and the application of stock control. Experience of export procedures linked with sound accounting knowledge involving the use of both mainframe and microcomputer installations is also required. The Finance Department currently has a staff of 14, and future reorganisation and appraisal of existing systems will be required.

The successful applicant will be aged 28/37 years, an ACMA, probably a graduate, with extensive manufacturing line experience.

If you feel that you will enjoy the practical and commercial challenge of this demanding opportunity and seek an attractive salary and benefits package (including relocation expenses where applicable), then please write with full career details, including current remuneration, quoting ref. 294, to Geoffrey Rutland ACA, ATII, Executive Division, Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Manager-Investment Administration

London
up to £30,000 + package

Our client is a UK life office with funds under management in excess of £2,000m and an enviable investment track record. Its business plan envisages a significant expansion in the range of its investment management services. This will require the support of efficient investment administration based on integrated computer systems. The plan identifies the need to recruit a senior manager to join the investment team to take specific responsibility for investment administration and computer developments in this area.

The ideal candidate is likely to be a qualified accountant aged about 35 with investment or banking experience and a familiarity with computer systems, but proven managerial ability will be a decisive factor.

The salary for the position, which will be based in the City, will be up to £30,000. A comprehensive package of fringe benefits will include a car, non-contributory pension scheme and subsidised mortgage facilities.

Candidates should apply in confidence, enclosing a full CV, indicating current salary and quoting MCS/5051, to Barrie A. Whitaker,
**Executive Selection Division
Price Waterhouse
Management Consultants
Southwark Towers
32 London Bridge Street
London SE1 9SY**

Price Waterhouse

GROUP FINANCIAL SYSTEMS ACCOUNTANT

City **£20,000 + car + benefits**

This is a new position with a well established City company with subsidiary offices overseas and extensive interests in financial services.

Reporting to the Financial Controller, the person appointed will advise on and co-ordinate the development and enhancement of existing systems throughout the Group with particular emphasis on computerisation. Applicants, ideally aged 25-30, must be qualified accountants familiar with computerised systems. Knowledge of the financial services sector is highly desirable. Career prospects are excellent.

Written applications, enclosing up-to-date curriculum vitae, should be submitted in strict confidence to Eric Sutton at our London address, quoting reference no. 1005/5912.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
163a Bath Street, Glasgow G2 4SQ. Tel: 041-226 3101
India Buildings, Water Street, Liverpool L2 0RA. Tel: 051-227 1412
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Corporate Development Manager

Bristol

The successful introduction of a Corporate Development service to clients in the South West has resulted in our need to appoint a Chartered Accountant or MBA who will develop and manage our work relating to mergers, acquisitions, divestments and reconstructions with its related corporate finance work.

The ideal candidate will have experience of investigative work gained in a development capital organisation or a relevant commercial appointment and knowledge of company law, institutional funds and banking criteria. Knowledge of corporation tax and insolvency would be an advantage.

We offer a competitive salary, company car and partnership prospects. Applicants currently earning less than £15,000 are unlikely to have the experience required.

Write or telephone for an application form or send CV to: Anne Baird, Director of Personnel, **Arthur Young, Froomsgate House, Rupert Street, Bristol BS1 2QH. Tel: 0272 290808.**

Arthur Young
Your next good idea

Finance Director Designate

Cheshire based PLC £50,000 Plus

Our client is a substantial PLC based in Cheshire. It is a high growth, well managed, very profitable international company with an enviable reputation. Its rapid but well planned development has been both through organic growth and acquisition in the UK and abroad.

The Finance Director Designate, reporting to the Chief Executive, will be part of a small Head Office team and will be closely involved with all of the subsidiaries. He/she will be responsible for the Group's total financial general management, including accounting policy, treasury and acquisitions, and the financial control of a decentralised independent group.

Candidates, aged 35 to 45, should be qualified accountants with a strong track record of genuine achievement in senior management both at subsidiary operating level and also at the centre of a large successful divisionalised group. A background in a fast moving, quick response industry, such as the service sector or distribution, would be ideal. Merchant banking experience, or other significant exposure to the City, would be particularly useful, together with a good grasp of taxation. He/she must be a self starter, and have the stature to generate respect in the City and to establish productive relationships with subsidiary top management.

A remuneration package in excess of £50,000 including performance related bonus plus share options and excellent big company benefits will be negotiated, with further increase on appointment to the Board. Please write in complete confidence, quoting Ref. 1628, to Ian Odgers who is advising on the appointment.

Odgers
MANAGEMENT CONSULTANTS
*Odgers and Co Ltd. One Old Bond St, London W1X 3TD. 01-499 8811
Telex 886 4989*

Finance Manager

West Midlands **c £20,000 + car**

For a young and progressive retailing organisation which operates nationally and is a market leader in its specialist field. It is backed by a major public company and has an exceptional record of growth in sales and profits.

In this new post you will report to a member of the Board and be responsible for financial planning, reporting and control. You will be closely concerned with the development of new administrative systems and procedures and, in particular, with the continuing introduction of point-of-sale technology into branches. As a senior member of the management team, the man or woman appointed will be expected to make a substantial contribution to the profitable growth of the business.

Probably in your late 20s or early 30s, you must be a qualified accountant who, ideally, has trained in one of the major accounting firms and gained good quality experience since in the profession, industry or commerce. Imagination, initiative and the ability to communicate at all levels are essential attributes and you must be capable of assuming a wider role within the organisation in the short term.

Please write in confidence to Neil Cameron, quoting ref. NF473, at 11 Gough Square, London EC4A 3DE (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

HEAD OF FINANCE

LARGE SOLICITORS' PRACTICE

Based in Victoria, London, this is a new position responding to the growth and business objectives of this 70-strong practice.

The purpose of this appointment is to manage and develop the administration and finance functions making an increasing contribution to the continuing and balanced growth of the practice.

Acting as Partnership Secretary and at partner level, the successful applicant will be a Chartered Accountant who can relate easily with all the partners in a highly professional environment.

An attractive and flexible remuneration package of c£20k is offered.

**Please write in complete confidence to
Robert E. Pink, FCA MBA**

Tanstead Associates Ltd
EXECUTIVE SEARCH & SELECTION
West End House
11 Hills Place, London W1R 2AS
01-439 1881

Hoggett Bowers

Executive, Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Management Accountants

West London, Leisure Industry

An important factor in the success of this quarter billion pound turnover company is the quality of its management accounting team. They identify trading trends and plan with line and staff management the continuing expansion programme. There are two current opportunities.

Management Accountant ***to £20,000, Executive Car***

The duties of this position concentrate on strategy using current figures, trends and expected market and economic changes. It requires an ACMA with an appropriate degree and sound commercial experience in the service (especially retail) industry. Age approximately 30 years. *Ref: 18105/FT.*

Financial Analyst ***to £15,500, Car***

Working in the same team, this position co-ordinates budgets, actuals and variances and interprets current figures. The ideal candidate will be aged about 25, qualified or a finalist ACMA with degree level education and sound, although shorter, experience. *Ref: 18106/FT.*

Both positions need candidates with the personality and authority that gains and keeps the respect of peers and senior management, plus the potential for career advancement. Benefits are highly competitive. Some UK travel is involved.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form quoting the appropriate reference number to: I.L. Duff, Hoggett Bowers plc, *6th Floor, Sutherland House, 5/6 Argyll Street*, LONDON, W1V 1AD, 01-734 6852.

Information Security Officer for International Merchant Bank

Our client is one of the UK's leading merchant banks employing some 1500 staff in its London headquarters and subsidiary offices around the world, operates in all the traditional merchant banking and investment portfolio management markets and in addition has recently moved into the new securities industry.

Working closely with senior management, the individual's main responsibility will be to ensure the security and confidentiality of information and data within the group. This is a new position and appropriate procedures need to be devised in conjunction with the relevant operating authorities.

The successful candidate is likely to be an EDP Accountant with a minimum of two years relevant consultancy experience within a major Accountancy or Systems house. A good understanding of at least one major computer operating system (preferably VME) is essential and knowledge of Banking and Money Transfer procedures and the handling of non-electronic data is desirable. First class inter-personal skills are essential.

Remuneration for this position will be based on experience and benefits will include a preferential mortgage scheme and non-contributory pension scheme.

Applications, including full career details to date, which will be treated in the strictest confidence should be sent to:—

Ref: IMB,
Response Advertising Limited,
366-368 Old Street, London EC1V 9LT.

FINANCE DIRECTOR

Book Publishing

A leading London publisher with ambitious plans for expansion, seeks a Finance Director who will play a key role in the company's future growth.

Applicants must have proven ability in all areas of financial management and control. But also the flair to handle publishing problems and people.

Candidates must be qualified Accountants, age 35 to 45. Starting salary £20-£25,000, plus car, depending on experience. Reply in confidence with full career details to Box A0018, Financial Times, 10 Cannon Street, London, EC4P 4BY.

Accountancy Appointments

Recently Qualified Accountants
highly visible career stepping stone

London **c£17-20,000 + mortgage etc.**

This is an excellent opportunity to make the transition from the Profession to Commerce. You will join a high profile team undertaking constructive reviews and appraisals of the Group's activities – a wide ranging brief which will provide a real insight into the many facets of the Group's diverse business.

The scale and diversity of these activities will provide stimulating career progression opportunities.

This is therefore seen as a development position enabling you to gain commercial experience, demonstrate your skills and, working with management at all levels, make an essential contribution to financial control.

A very competitive remuneration package will be negotiated.

Contact David Tod BSc FCA on 01-405 3499 quoting ref: D/363/RF.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

BDO
Binder Dijker Otte & Co.

Audit Senior
Paris

Negotiable around Fr Fcs 180,000 pa

Binder Dijker Otte, the international accountants, have a vacancy for an Audit Senior to augment the team at their Paris associate, BEFEC-Mulquin, the biggest and fastest growing accountancy firm in France.

A qualified Chartered Accountant is sought whose auditing experience is supplemented by some knowledge of French fiscal, commercial and legal systems. Fluent English is essential plus excellent spoken and written French.

This opportunity will attract a gregarious and adaptable person eager to extend professional skills for assignments in all parts of France while perfecting knowledge of the country, its business, culture and language.

French terms and conditions of employment apply, a salary around Fr Fcs 180,000 pa is proposed, and the selected candidate should be prepared to stay with the Company for at least three years extendable by mutual agreement.

Candidates in their mid- to late twenties are invited to write with a full CV and day time telephone number quoting reference 1441 to:

BinderHamlyn
MANAGEMENT CONSULTANTS
Trevor Austin, Executive Selection Division
Binder Hamlyn Management Consultants
8 St Bride Street, London EC4A 4DA

Young Chief Accountant
Contribute to Expansion With an Active Oil Company

Enjoy early responsibility and rapid personal development whilst gaining a complete overview of a financially strong oil exploration and production company.

A highly active exploration programme and a number of planned field developments, including the Company's first as operator, have created significant expansion. Priority is now being given to the appointment of a Chief Financial Accountant whose joining will coincide with the major upgrading of the existing computerised systems.

Responsible for two U.K. subsidiaries, you will supervise all day to day corporate accounting activities, become involved in financial planning and assist with taxation.

A qualified accountant with three years experience, including the preparation of final accounts to U.K. standards, you have previous experience of staff supervision and are fully conversant with computerised systems. You initiate ideas, can identify priorities and work through to conclusive results.

You will be based in Central London and can expect a competitive package and a high level of exposure in a broad ranging role.

Please telephone or write to Sue Jagger of Cripps, Sears & Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

Cripps, Sears

FINANCIAL CONTROLLER
c£17,000 + Car etc

Based in Yorkshire, this expanding, progressive high street retailer with out of town superstores want a young, well qualified accountant who can bring flair and commercialism to the financial and management accountancy function. Reporting to the Financial Director you will have an outstanding academic (preferably a degree) and career record. Retail or service industry experience would be a great advantage. You must be used to presenting sophisticated but understandable information. The position carries significant job challenge to attract a highly ambitious accountant.

Male or female candidates apply for a personal history form to Robert Durston, Durston & Marks Search and Selection Ltd., No 1 Central Street, Manchester M2 5WR. Tel: 061 832 2266 (24 hours) Ref: 2358/FT

DURSTON & MARKS
SEARCH · AND · SELECTION · LIMITED

Financial Controller
with Board potential

not less than £20,000 plus car Borders North Wales/Cheshire

Our client is a successful, rapidly expanding company engaged in the manufacture and distribution of a range of household products to the domestic and leisure markets. In addition to a well established market based in the UK, a buoyant export market has been established which led to the Queens Award for Export in 1982.

The business plans to continue its profitable expansion both organically and by acquisition, with a view to a listing in the medium term, and wishes to make an appointment of Financial Controller, who will be responsible to the Managing Director for providing a comprehensive accounting service throughout the company and for participating in all commercial aspects required for the development of the overall business. A successful Financial Controller should join the Board within 18 months.

Candidates, preferably graduates between 33 and 45, should be qualified accountants with sound experience of directing the financial function and contributing to commercial aspects, in a computerised self-accounting medium size business, trading in the UK and export markets.

The remuneration package includes a fully negotiable salary, equity participation and comprehensive fringe benefits including assistance with relocation to an attractive rural area.

Please apply in confidence with details of your career, with contact telephone numbers, quoting ref: 5661/FT to: Brian Jones, Human Resources Division, Grant Thornton Management Consultants Limited, Heron House, Albert Square, Manchester M2 5HD.

Group Financial Controller

Based in Surrey **c. £25,000 + car**

Our client, a USM company, has increased its turnover from £2.5m in 1983 to a current annualised level of £30m, while achieving a significantly greater than commensurate increase in profitability. The underlying corporate strategy has been to build a broadly based low technology group through a combination of rapid organic and acquisitive growth.

Individual companies within the group have a high degree of autonomy and while this is to remain so, the Group's plans for continuing expansion necessitate the creation of a small head office team. A mature and experienced chartered accountant is required to establish the role of group financial controller which will attract those responsibilities normally associated with such a position. Particular emphasis will, however, be placed on corporate financial management, the integration of acquisitions, taxation, management reporting and the formulation of group accounting policy.

Applicants should have gained first-hand experience in the areas described above while employed in a similar capacity in a well-managed group of companies.

This appointment is considered to be a particularly challenging and attractive career opportunity and should you feel you meet its requirements please write in confidence, enclosing a full CV to Mr. T. A. Elster, Executive Selection Division, Peat, Marwick, Mitchell & Co., City Square House, 7 Wellington Street, Leeds LS1 4DW, quoting reference No. L/603.

PEAT MARWICK

Hoggett Bowers
Executive Search and Selection Consultants

Partnership Secretary/Accountant

Solicitors Practice
Manchester, c £20,000, car

This vibrant city centre commercial partnership with a young, successful team is achieving continuous growth. Responsibility of this senior position is to manage all aspects of the business-support operation, with a staff of 60 reporting. Activities include the preparation of management accounts, financial control, enhancement of computer systems and staff recruitment. Aged 35/45, ideally with accountancy qualification, you must have had similar experience in a company or professional organisation, where your presence and drive has achieved results through strong team commitment. Job satisfaction is high in this exciting, active environment.

D.A. Teale, Ref: 30042/FT. Male or female candidates should telephone in confidence for a Personal History Form 061-832 3500. Hoggett Bowers plc, *St. John's court,* 78 Gartside Street, MANCHESTER M3 3EL.

Commercial Manager

C. London **c. £20,000**

Our client, a high profile company in the forefront of the information technology revolution, is a subsidiary of a well-known British quoted group. Continued expansion demands that a suitably qualified accountant or lawyer (age c.30 years) join the young managment team.

Personal and professional qualities should be highly developed in order that you can formulate, present and justify the marketing and financial case for a wide range of agreements. Experience of negotiating with customers, suppliers and government departments would naturally be advantageous. In addition you should have a capacity for rapidly assimilating technical data.

This is seen as a career development position. Relocation expenses available.

Write in confidence with full CV and daytime telephone number to Patrick Donnelly quoting ref: FT/90.

The Finance Index
Financial Recruitment Consultants
11 Palmer Street London SW1H 0AB Tel: 01-222 5169/1181

Financial Controller
Mining and Mineral exploration

Central London **c.£21,000+car**

Our client is a UK public company with mining and mineral exploration interests in various parts of the world. Production has commenced at some sites and substantial revenues are anticipated within the next two or three years.

In preparation for this increase in activity a qualified accountant is required to take total control of the accounting and financial function which will demand development of computerised systems, management of exchange control and the provision of accounting assistance to overseas operations. This position should lead to financial directorship.

Preferred applicants will be chartered accountants, probably in their late twenties, appropriately experienced in computer developments and international currency accounting and wishing to play a significant role in the development of a public company. The position will demand occasional international travel.

In the first instance please submit brief personal and career details to Douglas G Mizon quoting reference F866M at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

ESD

Group Chief Accountant
c.£20,000 + car + benefits

An expanding and highly profitable publicly quoted group of companies with an annual worldwide turnover of approximately £100m who are engaged in advanced electronics and precision engineering products needs someone to take responsibility for the day to day running of the group's finance function in Newbury and assist the Financial Director in all aspects of financial control of the group.

Based in Newbury, Berkshire, the successful candidate must have had a first class professional training followed by substantial general experience at corporate level. He/she will also need intellectual agility, flexibility, an entrepreneurial streak and a pleasing personal authority. Due to the pressures of the job, a sense of humour would help.

To apply please write quoting ref: MU864 to the Managing Director, Executive Selection Division, 18 Grosvenor Street, London W1X 9FD.

ESD is the Executive Selection Division of EAL

COMPANY ACCOUNTANT

AMEK SYSTEMS & CONTROLS LTD
TOTAL AUDIO CONCEPTS LTD — AMEK CONSOLES INC
MANCHESTER — LOS ANGELES
Aged 25/40

We are a rapidly-expanding international group of companies in the design and manufacture of professional audio mixing consoles. We supply the world's recording and broadcasting industries and we won the Queen's Award for Export 1985.

As well as responsibility for all Financial Management, Cost and Budget Accounting etc, it is imperative that the applicant has enthusiasm and can work objectively alongside the dynamic young management team, making a significant contribution to further development of the group. Therefore a recognised Accountancy qualification as well as meaningful commercial/industrial experience is essential.

Salary and benefits by negotiation according to the successful candidate's age and experience.

Please send full cv, present earning details and period of notice to:

Nick Franks, Managing Director, Amek Systems & Controls Ltd
Islington Mill, James Street, Salford M3 5HW

FINANCIAL DIRECTOR (DESIGNATE)
Age 30-35

A qualified chartered accountant who is looking for advancement in their career, who is probably next in line to the financial director of a successful public company and is looking for their next step. The successful applicant will be energetic, excited by challenge and have full knowledge of the duties of a company secretary. Excellent package of pay and conditions and removal expenses will be considered.

Apply in writing to:
The Chairman & Managing Director,
The ELS Group of Companies,
Thomas House, Prescot Road, St Helens, Merseyside WA10 3XB

APPOINTMENTS ADVERTISING

£41 per single column centimetre
and £12 per line
Premium positions will be charged
£49 per single column centimetre

For further information call
LOUISE HUNTER on 01-248 4864
or
TREVOR PUNT on 01-236 9763

Accountancy Appointments

Hoggett Bowers
Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Group Financial Controller/ Company Secretary

Northern England,
c £30,000, car, profit share

Hoggett Bowers plc, a leading recruitment consultancy with ambitious expansion plans, wishes to appoint a high calibre person to control finance and administration. The successful candidate will report directly to the Chairman/Chief Executive. Candidates will be young, early 30's, ideally law graduates and qualified Chartered Accountants. They must have served articles with a leading firm and have had at least 5 years' commercial experience with successful companies. The ideal career progression since leaving the profession would be 3 years' with a large, well run company, followed by 2 years' as Financial Controller in a small company. Experience within a service industry would be very appropriate. Candidates must be fully competent to handle efficiently monthly accounts, annual accounts, tax, cash management, secretarial work and associated administrative duties. They should have a sound working knowledge of company law and Stock Exchange requirements, and a good working knowledge of computer applications with the ability to integrate the accounting of newly acquired companies into the Group. The Company believes in simple, effective reporting systems designed to assist management. The need is for a bright, smart professional with a pleasant, acceptable personality; practical, tough, hard-working and ambitious. Future prospects are excellent and could lead to a Board appointment and share options. Salary will not be a limiting factor for the ideal candidate.

Please send a detailed CV to *J.R. Featherstone, Chairman/Chief Executive,* **Hoggett Bowers plc,** 7 Lisbon Square, **LEEDS** *LS1 4LZ,* stating in a few sentences why you think you should be considered for this extremely important appointment *Ref: 12350/FT.*

Manager
Financial Planning and Accounting

up to £17,000 pa + car South Midlands

This is a newly created role within a well established and highly efficient profit centre, part of a major UK group, but run very much on autonomous lines. The company, which employs around 450 people, has benefitted from substantial investment in a drive to develop and extend its advanced technology research, design, development and test services for key manufacturing industries.

Reporting to the Financial Director, your brief as a member of the Senior Management team will be to make a positive contribution to the Company's future direction in response to changing world markets. Specific responsibilities will include the development, implementation and monitoring of a 5-year Corporate Plan, the preparation, review and monitoring of Revenue and Capital Budgets, Cash Flow Control and top level period accounting and reporting; in addition you will be involved in such activities as Statutory Accounts, Purchase Accounting and Internal Audit.

This is a highly responsible position calling for a man or woman ideally in the 30's to early 40's age group, with very strong practical accounting skills. Probably a graduate and a Chartered Accountant with a proven track record in a highly disciplined environment in industry, you must demonstrate a creative and pro-active approach to the Accounting function. First class oral and written communication skills should be allied to a persuasive yet diplomatic approach; necessary personal skills include commitment, drive, adaptability and above all potential to develop.

In return, the company offers an attractive, negotiable salary depending on skills and experience, together with a wide range of large-group benefits including a lease car and relocation assistance, if appropriate, to a very attractive rural area close to the Cotswolds.

Austin Knight have been retained to handle initial applications. Please telephone Allan McGregor on (021) 455 6255 (office hours) or 052789 3194 (evenings) or write to him quoting ref LS135 at Austin Knight Selection, Tricorn House 51-53 Hagley Road, Edgbaston, Birmingham B16 8TP.

Austin Knight Selection

Group Financial Controller

Computer Software £15–20K plus car

CENTRAL LONDON

We are looking for an ambitious young ACA with a first class track record who is prepared to work hard and to become involved in all aspects of the finance function. The group of six companies, which includes a subsidiary in California, has interests in computer software, insurance broking, consultancy and property, and employs about 130 people.

The Group Financial Controller will lead a team of four people and will have responsibility for

— Management and financial reporting

— Computerisation of accounting

— Sales administration

— Marketing services

The group is expanding by internal growth and acquisition and the person recruited will be of sufficient calibre and toughness to play an important role in the next phase of growth. The anticipated age range is 25 to 30 and the background is international firm of chartered accountants, probably followed by commercial post-qualification experience.

Please send your cv to Robin Schlee, Saunderson Holdings Limited, Saunderson House, Hayne Street, London EC1A 9HH, 01-726 6501.

GROUP CHIEF ACCOUNTANT

The Frizzell Group is a large, privately owned financial services group. A position based on our reputation for providing the most comprehensive service to all clients, be they individual or corporate.

Now we are seeking a Group Chief Accountant to provide the Group Financial Director and Main Board with Group Management *information as and when it is* required, and who has the potential to work on acquisitions and contracts negotiation. Working in a stimulating and challenging city environment you will also be responsible for consolidating balance sheets, group tax affairs, budgets, audit and annual reports, ad hoc investigations as well as Group Accounting Standards and Control.

A commercially orientated Accountant, aged 30-40 and fully qualified, you will need to be diplomatic, positive and an effective *communicator at all levels.*

To the right man or woman we can offer a salary negotiable c.£25,000 plus a competitive benefits package which includes a car.

FRIZZELL

Please write with full c.v. to Mrs. S. McGeachie, Personnel Manager, The Frizzell Group, 14/22 Elder Street, London E1 6DF.

Hoggett Bowers
Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

UK Accounting Manager

High Technology
Berks, c. £25,000, car

This compeny is a relatively small progressive, high technology company of American parentage and is growing rapidly but sensibly under a mature professional British management.

The Finance Department has a small staff and a VAX 11/750 and the major objective is to develop and *manage the accounting for the UK operation in a way* that fully contributes to the business and its growth. Candidates, most probably CA will be aged 30–35 with experience of American financial reporting in a high technology situation. They must be independently minded and be able to work at board level with no supervision. The company is still comparatively young and career prospects are excellent.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to H.W. FitzHugh, Hoggett Bowers plc, *1/2 Hanover Street*, LONDON, *W1R 9WB*, 01-734 6852, quoting *Ref: 19008/FT.*

CNAA

FINANCIAL MANAGEMENT

Vacancy in London for ACA/ACCA/ACMA/CIPFA

The Council for National Academic Awards is a non-profit making regulatory body in the forefront of quality control in higher education. Following a career move by the current postholder, CNAA now has a vacancy for a FINANCIAL AND MANAGEMENT INFORMATION MANAGER.

Reporting direct to the Head of Division IV, the F & MI Manager carries responsibility for the provision of regular management reports as well as the running of the finance section. Close liaison with the DP Manager and the Personnel Officer will be necessary in relation to the development and upgrading of accounting and specialist administrative systems. The post is offered on a three year term.

Candidates, male or female, should be qualified ACA, ACCA, ACMA or CIPFA, with significant commercial experience. Thorough experience in development and implementation of new computer systems and appropriate procedures is essential, as is experience of staff supervision. The primary qualities being sought include an innovative and flexible approach and a high degree of commitment. Salary range: £19,000.

Please forward a curriculum vitae with the names and addresses of two referees and for further details, please contact:

The Personnel and Training Officer
The Council for National Academic Awards
344-354 Gray's Inn Road
London WC1 8BP
Tel: 01-278 4411, ext. 276

CLOSING DATE: 23 January 1986

Hoggett Bowers
Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Financial Director

F.M.C.G. Manufacturing
North West, c £30,000*, car, benefits

With a profitable turnover of £50M and aggressive expansion plans, this is a wholly-owned subsidiary of a major American corporation. Supplying non-food, fast moving consumer goods to UK multiples, the company recognises this new appointment as key for future development.

The position provides wide involvement across many business functions, with a team of 50 reporting.

The successful candidate is likely to be aged 35—45, with an accounting qualification supplemented by a business degree. Familiarity with US accounting and profit planning techniques is desirable and experience of acquisitions is essential. Occasional overseas travel will be necessary.

You must be an ambitious leader, looking for a considerable challenge where the high commitment required is matched by excellent benefits and rewards.

* *Salary will not be a limiting factor for a particularly suitable candidate.*

D.A. Teale. Ref: 30040/FT Male or female candidates should telephone in confidence for a Personal History Form 061-832 3500 *St. John's Court, 78 Gartside Street,* MANCHESTER *M3 3EL.*

AMBITIOUS ACCOUNTANT WITH ENTREPRENEURIAL FLAIR

Age 26-34

c. £20,000 package
South Kensington

Highly successful consultancy group, market leader in the field of direct response mail order catalogue marketing, requires a young qualified accountant of high calibre, who is ready for the challenge of financial management in a fast-moving entrepreneurial environment.

The group's activities extend from product design, selection and purchasing through to catalogue production, campaign management and syndication. Workload will therefore be varied and highly demanding.

Candidates should be qualified accountants, preferably with a degree, and must have the commercial flair and experience to handle client contact, contract negotiation and the development of mini computerised systems. Reporting directly to the MD, long term prospects are exceptional with potential for directorship, profit and equity participation.

If you believe you can measure up to the very high standard required, and are ready for total commitment and involvement in an entrepreneurial environment, then apply now in confidence to N V Swabey, giving full career details, current salary and availability.

NSP, Nigel Swabey and Partners, 65 Newman Street, London W1 01-580 1783

ADT Financial Controller

Reporting directly to the MD

Circa £21,000+bonus+benefits **Birmingham**

ADT is an American based multi-national company with over a ¼million clients made up mainly of banks, jewellers, blue chip companies and large retail outlets. It is the largest and oldest security company specialising in high-tech security systems and fire detection for home and industry.

A qualified and business-minded accountant with strength of personality, broad commercial experience and sound managerial skills is sought by our client to complement the existing senior management team.

Probably aged between 30 and 50, you will have experience of EDP systems, organisation of a multi-national branch company and general day-to-day accounting functions. Reporting directly to the Managing Director, an ability to co-ordinate resources and communicate effectively at all levels are prerequisite of the appointment, as is the ability to conceive new ideas and contribute to the development and profitability of the company at the highest level.

In return for your commitment you will, in addition to an excellent salary and company car, receive a comprehensive benefits package which includes bonus scheme, pensions scheme, health care and, where appropriate, relocation expenses.

Applicants, male or female, should apply in the first instance with full career and personal details to: Malcolm Johnson, Mercuri Urval Limited, Spencer House, 29 Grove Hill Road, Harrow, Middlesex HA1 3BN, quoting reference no: 662.

Mercuri Urval

FINANCE MANAGER

North London **£15-17,000 p.a. + car**

The Instruction Set is a young, rapidly-growing Systems Software firm which provides training services, consultancy and software products. Our client list is highly prestigious and includes all of Europe's leading computer manufacturers plus many large governmental and corporate end-users.

Thanks to profitable growth, we now wish to appoint a Finance Manager who will be responsible for all aspects of the company's financial affairs, including the preparation of accounts, cashflow management and tax planning.

We anticipate that the successful candidate will be an ambitious, energetic, highly intelligent graduate ACA in her or his mid to late twenties, currently working at one of the large accounting firms.

This person will be excited by the prospect of taking substantial responsibility and by the problems of managing growth in a small company. She or he will be joining a talented team in a stimulating industry and will report to a director.

Please write, giving full personal and career details, to David Griffiths, Director, The Instruction Set, 152-156 Kentish Town Road, London NW1 9QB.

the instruction set ltd

Financial Director

Maidenhead

Advertising

Rapidly growing advertising agency (subsidiary of multi-national group) seeks qualified accountant to take full responsibility for financial and company secretarial functions. Candidates, probably in their thirties, will have in-depth service industry experience, preferably in advertising or related fields, a dynamic personality plus ability both to contribute to decision-making and to operate at the nuts and bolts end. An attractive remuneration package is offered.

Application with full c.v. to:

H. S. Levinger
HARRISON COWLEY (HOLDINGS) PLC
35 Queens Square, Bristol BS1 4LU